The Fundamental Fallacy of Socialism

Arthur Preuss

·Ex Libris
Duquesne University:

Gift of

Rev. Richard Hamilton

Digitized by the Internet Archive
in 2026

https://archive.org/details/fundamentalfalla0000arth_o2e8

THE FUNDAMENTAL FALLACY OF SOCIALISM

AN EXPOSITION OF THE QUESTION OF LANDOWNERSHIP

COMPRISING AN AUTHENTIC ACCOUNT
OF THE FAMOUS McGLYNN CASE

EDITED BY

ARTHUR PREUSS

EDITOR OF THE CATHOLIC FORTNIGHTLY REVIEW

ST. LOUIS, MO., AND FREIBURG (BADEN)
PUBLISHED BY B. HERDER
1908

HD 1315
P8
333
P943

NIHIL OBSTAT.

F. G. HOLWECK,

Censor.

St. Louis, Dec. 27, 1907.

IMPRIMATUR.

✠ JOANNES J. GLENNON,

Archiepiscopus Sti. Ludovici.

St. Louis, Dec. 28, 1907.

Copyright, 1908, by Joseph Gummersbach.

— BECKTOLD —
PRINTING AND BOOK MFG. CO.
ST. LOUIS, MO.

INTRODUCTORY NOTICE

The question of landownership lies at the bottom of the whole social problem. So many wrong notions are current on ownership in general, and landownership in particular, that I believe I shall render the cause of truth and justice a real service by re-issuing in book-form, revised and enlarged, the following papers, originally contributed to the CATHOLIC FORTNIGHTLY REVIEW. They contain the only detailed presentation of the subject in English, together with the first documentary account ever published of the famous "McGlynn case."

The reader will find upon perusal that, in answering the question "Who owns the land?" this little volume refutes not only Agrarian Socialism, or the Single Tax theory of Henry George, which is of late enlisting so many new recruits—I regret to say even among Catholics—but likewise the fundamental fallacy underlying Socialistic Communism, which in the opinion of so many far-sighted observers constitutes the greatest social menace of the future.

ARTHUR PREUSS.

18883

AUG 17 1934

TABLE OF CONTENTS

I. Two Rival Theories 1

II. Common Landownership a Fiction . . 9

III. Private Landownership a Natural Right 29

IV. Leo XIII. on Private Property in Land . 41

V. Henry George's Vain Attempt to Refute the Pope's Arguments 53

VI. The Single Tax, or the "Natural" System of Taxation 96

VII. Dr. Edward McGlynn and Henry George 113

VIII. The Truth About Dr. McGlynn's Restoration 138

IX. Whose is the Unearned Land Value? . 155

X. The Fundamental Fallacy of Agrarianism, Socialism, and Communism . . 178

I

TWO RIVAL THEORIES

Who owns the land? To this question two answers are given: The land is the common property of all men, or the land of each country belongs to the whole people of that country as their common property. This is the answer of Communists, Socialists and Agrarians. The rest of mankind deny this common landownership and maintain that the land is owned in severalty, either by individuals or by corporations. The best known and most enthusiastic advocate of common landownership is Henry George; the most prominent defender of private ownership in land is Pope Leo XIII.

The teachings of Henry George are chiefly comprised in his *Progress and Poverty* and in his *Open Letter to Pope Leo XIII.;* those of Leo XIII. in his Encyclical "Rerum Novarum," of May 15th, 1891.

Henry George considers private property in land to be the ultimate root and source of the social evils which are so keenly felt and so bitterly deplored by all. The real cause of the evil being ascertained, the true remedy is obvious: we must abolish private property in land and substitute common ownership. But is the abolition of private landownership in harmony with natural justice? It is, because private ownership of land is essentially and irremediably wrong and unjust.

How can private property in land be done away with? Will its abolition not cause a disturbance in all social conditions, which would be worse than the misery of which we now complain? We need not fear: no violent measure is required to bring about the desired change. We will leave every landowner in the quiet "possession" of all he has; but for the privilege of possessing land and of enjoying the blessings of such "possession," we will make him pay the State or the community a "land tax," equal to the profit which accrues from land as such, regardless of labor and improvement ("land rent," "land value"). In this manner we shall really make all land common property. For, the individual "possessor" of a particular piece or tract of land, who pays the State

for the use of such land, is in reality nothing more than a tenant of the State or the community.

This is, in substance, the reasoning of Henry George. Leo XIII., on the other hand, makes the lawfulness and justice of private landownership the thesis which he proposes to demonstrate in the first part of his Encyclical and, at the end of his argumentation, lays it down as an essential basis for all true social reform, that private property in land must be kept inviolate. Hence it is clear that the teachings of Henry George and those of Leo XIII. are diametrically opposed. Nevertheless, it will be interesting and instructive to see this opposition more in detail. Let us, therefore, review some striking assertions which occur in the VII. book of *Progress and Poverty,* headed: "The Justice of the Remedy," and contrast them with the corresponding utterances of the Pontiff.[1]

Henry George writes: "To affirm the rightfulness of property in land, is to affirm a claim which has no warrant in nature . . ." (p. 242). "Whatever may be said for the institution of private property in land, it is plain that it cannot be defended on

[1] Our quotations from *Progress and Poverty* are taken from the 4th edition, 1880, "Lovell's Library."

the score of justice'' (p. 243). ''The recognition of individual proprietorship of land is the denial of the natural rights of other individuals—it is a wrong which must show itself in the inequitable division of wealth'' (p. 245).

The Pope writes: ''The remedy which (Agrarian Socialists) propose, is manifestly repugnant to justice, because the right of having private property (in land as well as in chattels) is a right granted to man by nature.'' Again, ''It must be possible for man to acquire as property not only the fruits of the earth, but the very soil itself. . . . Nature must have given to man a stable and never-failing store-house, from which he may expect never-ending supplies. But such never-ending supplies nothing can afford except the earth with its abundance and fertility.''

Henry George says: ''The Almighty, who created the earth for man and man for the earth, has entailed it upon all generations of the children of men by a decree written upon the constitution of all things—a decree which no human action can bar and no prescription determine: Let the parchments be ever so many, or possession ever so long, natural justice can recognize no right in one man to

the possession and enjoyment of land that is not equally the right of all his fellows'' (p. 244).

The Pope declares: ''The fact that God has given the earth for the use and enjoyment of the whole human race, does not in the least prevent the existence of private possessions. For, if it is said that God gave the earth to mankind in common, this is not to be understood as if he wanted the common ownership of the earth vested in all men (non quod ejus promiscuum apud omnes dominatum voluerit), but because he did not assign to any one the possession of any particular portion of the earth, leaving the actual distribution of private possessions to men's industry and to the laws of peoples.'' According to the Pontiff, therefore, the earth or the soil, though destined for the benefit of all, is by nature and originally neither owned by mankind nor by any individual, but is ownerless, ''res nullius''; being originally ownerless, yet destined to become the property of somebody —for man, generally speaking, needs private property,—it may be appropriated or acquired in portions as property by any one.

Henry George thus forestalls an objection: ''But it will be said: There are improvements which in time become indistinguishable from

the land itself. Very well; then the title to the improvements becomes blended with the title to the land; the individual right is lost in the common right. It is the greater that swallows up the less, not the less that swallows up the greater. Nature does not proceed from man, but man from nature, and it is into the bosom of nature that he and all his works must return again. . . . As for the deduction of a complete and exclusive individual right to land from priority of occupation, that is, if possible, the most absurd ground on which landownership can be defended" (pp. 246 sq.).

Leo XIII. teaches: "If a man (cultivating a piece of ownerless land) exerts both his mental faculties and his physical strength in procuring the fruits of nature, by so doing he makes his own that portion of the earth which he cultivates and on which he leaves, as it were, the impress of his personality." The same would hold in the case of one who would build on ownerless ground; "the ground on which one has built—solum in quo aedificavit—" has thereby become his own no less than "the estate which he has brought under cultivation—praedium quod excoluit."

Henry George affirms: "The truth is, and from this truth there can be no escape, that

there is and can be no just title to an exclusive possession of the soil, and that private property in land is a bold, bare, enormous wrong, like that of chattel slavery.''—'' It is impossible for any one to study political economy, even as at present taught, or to think at all upon the production and distribution of wealth, without seeing that property in land differs essentially from property in things of human production, and that it has no warrant in abstract justice'' (pp. 257 sq.).

Leo XIII. denies an essential difference between property in land and things of human production. He declares the one as well as the other to be derived from nature and warranted by justice. The arguments, moreover, for the rightfulness and necessity of individual landownership are, as he explicitly states, so clear that he is amazed to find Agrarian Socialists and others granting to individuals the ownership of the fruits of the earth, but not that of the land itself. He approvingly quotes in favor of individual landownership not only the conviction of all ages and the just laws of commonwealths, but also the authority of the divine law. He concludes with the emphatic sentence: ''The first and most fundamental principle, accord-

ingly, if we wish to alleviate the miserable condition of the masses, must be the inviolability of private property.—Maneat ergo, cum plebi sublevatio quaeritur, hoc imprimis haberi fundamenti instar oportere, privatas possessiones inviolate servandas.''

II

COMMON LANDOWNERSHIP A FICTION

At the time when Henry George was most active in bringing his views before the people, at home and abroad, there appeared many able essays and printed lectures refuting his assertions and meeting his objections against private ownership in land. In the *New York Freeman's Journal,* from February 18th to April 28th, 1888, two series of articles by Rev. Victor Cathrein, S.J., were published which disproved the tenets of Agrarian Socialists from an historical, economical, and ethical standpoint. About a year later they were blended together in a little volume entitled: *The Champions of Agrarian Socialism. A Refutation of Emile de Laveleye and Henry George, by Rev. Victor Cathrein, S.J.* (Buffalo, N. Y., Peter Paul and Bro., 1889.) The late Mr. Charles Stanton Devas called this treatise of Fr. Cathrein's "the classic against Henry George."[1]

[1] See Mr. Devas' article on "Agrarianism" in *The Catholic Encyclopedia,* vol. I.

In his *Primitive Property* (Paris, 1877, English edition, 1878) Emile de Laveleye, professor of political economy in the University of Liège, had attacked private landownership particularly from the historic point of view. He endeavored "to prove that everywhere and in all nations only collective possession of land (communal property) existed in primitive times, and that individual ownership was developed rather late and only by degrees. This development, he says, was brought about mostly through cunning and deceit, till at length collective possession was almost entirely done away with" (Cathrein, p. 11).

Henry George makes the views of M. de Laveleye his own. "Historically, as ethically," he writes, "private property in land is robbery. It nowhere springs from contract; it can nowhere be traced to perceptions of justice or expediency; it has everywhere had its birth in war and conquest, and in the selfish use which the cunning have made of superstition and law." . . . "'In all primitive societies,'—says M. de Laveleye, as the result of an investigation which leaves no part of the world unexplored—'in all primitive societies, the soil was the joint property of the tribes and was subject to periodical

distribution among the families, so that all might live by their labor as nature has ordained' . . . If M. de Laveleye be right in this conclusion, and that he is right there can be no doubt, how, it will be asked, has the reduction of land to private ownership become so general?'' (*Progress and Poverty,* bk. vii, ch. iv, pp. 266–268.)

Father Cathrein refutes M. de Laveleye's assertions in two chapters, one of which treats of property-holding among the Russians and Teutons, the other among the most ancient Oriental nations. (Cathrein, pp. 21–76.) In another chapter he exposes the fallacies contained in the arguments which Henry George has taken from political economy ''to show that private property in land necessarily leads to the impoverishment of the great bulk of mankind.'' (*Ibid.* pp. 84–96.) It would lead us too far to enter upon the field of history or of political economy, and we must, accordingly, refer the reader to the respective chapters in Cathrein's volume or to similar treatises.

In his *Open Letter* Mr. George says that the reform he proposes, ''like all true reforms, has both an ethical and an economic side,'' and he thinks that ''the ethical is the more important side.'' In *Progress and*

Poverty he likewise lays greater stress on the justice than on the expediency of his proposals. "When it is proposed," he writes, "to abolish private property in land, the first question that will arise is that of justice. . . . That alone is wise which is just; that alone is enduring which is right. In the narrow scale of individual actions and individual life this truth may be often obscured, but in the wider field of national life it everywhere stands out. I bow to this arbitrament, and accept this text. . . . If private property in land be just, then is the remedy I propose a false one; if, on the contrary, private property in land be unjust, then is this remedy the true one." (Book viii, ch. i, p. 239.)

Why, therefore, does Henry George, from the standpoint of ethics, reject individual landownership as unjust? His chief, or rather only, argument is thus proposed in *Progress and Poverty:*

"What constitutes the right basis of property? What is it that enables a man to justly say of a thing, 'It is mine!' From what springs the sentiment which acknowledges his exclusive right as against all the world? Is it not, primarily, the right of a man to him-

self, to the use of his own powers, to the enjoyment of the fruits of his own exertions? . . . As a man belongs to himself, so his labor when put in concrete form belongs to him.

"And for this reason, that which a man makes or produces is his own, as against all the world—to enjoy or to destroy, to use, to exchange, or to give. No one else can rightfully claim it, and his exclusive right to it involves no wrong to any one else. Thus there is to everything produced by human exertion a clear and indisputable title to exclusive possession and enjoyment, which is perfectly consistent with justice, as it descends from the original producer, in whom it is vested by natural law. The pen with which I am writing is justly mine. No other human being can rightfully lay claim to it, for in me is the title of the producers who made it. It has become mine, because transferred to me by the stationer, to whom it was transferred by the importer, who obtained the exclusive right to it by transfer from the manufacturer, in whom, by the same process of purchase, vested the rights of those who dug the material out of the ground and shaped it into a pen. Thus my exclusive

right of ownership in the pen springs from the natural right of the individual to the use of his own faculties.

"Now, this is not only the original source from which all ideas of exclusive ownership arise . . . but it is necessarily the only source. There can be to the ownership of anything no rightful title which is not derived from the title of the producer and does not rest upon the natural right of the man to himself. There can be no other rightful title, because (1st) there is no other natural right from which any other title can be derived, and (2nd) because the recognition of any other title is inconsistent with and destructive of this. . . ." (*Progress and Poverty,* bk. vii, ch. i, p. 240.)

In this form the argument is ably and completely answered by Father Cathrein. He first sums it up in the following syllogism: "A single individual can call only that his own which is the produce of his labor; now, the soil is not the produce of his labor; hence he can not call the soil his own." He denies the major proposition and proves that "labor is neither the original nor the exclusive source of proprietorship" (Cathrein, pp. 100 sqq.).

Mr. George advances the same argument in his *Open Letter* to the Pope as follows:

"As to the right of ownership we hold: That—

"Being created individuals, with individual wants and powers, men are individually entitled (subject of course to the moral obligations that arise from such relations as that of the family) to the use of their own powers and the enjoyment of the results.

"There thus arises, anterior to human law, and deriving its validity from the law of God, a right of private ownership in things produced by labor—a right that the possessor may transfer, but of which to deprive him without his will would be theft.

"This right of property, originating in the right of the individual to himself, is the only full and complete right of property. It attaches to things produced by labor, but can not attach to things created by God.

"Thus, if a man takes a fish from the ocean he acquires a right of property in that fish, which exclusive right he may transfer by sale or by gift. But he can not obtain a similar right of property in the ocean, so that he may sell *it* or give *it* or forbid others to use *it.*"

The reader will have noticed that this reasoning is the same as that quoted above from *Progress and Poverty.* The answer to the argument is obvious and is suggested by the

very examples with which Henry George illustrates his theory. Of course, no sane man who admits individual landownership, claims or defends right of property in the ocean or the atmosphere or the sun, although "to men," i. e., to Mr. George and his followers, ocean, air, sunshine, and soil, are all "involved in the single term land"! Need we remind our readers of the fact that the ocean, the atmosphere, and the sun, just as the moon and the milky way and the whole firmament, are physically insusceptible of being taken possession of or appropriated either by an individual man or even by the whole of mankind?

Our answer, then, to Mr. George's argument is obvious and brief: his theory is self-contradictory and does away with all property, not only in the soil, but in everything else.

If a Henry George man rows out into the ocean and is so lucky as to "take from the ocean" a fine fish, he can not call it "his," he does not "acquire a right of property in that fish," for the simple reason that he did not produce it! All fishes, whether living in the ocean, or in rivers or lakes, belong to the "things created by God," not to the "things produced by labor"; but the right

of property, Mr. George has just assured us, "can not attach to things created by God." Again, if he would go hunting, and kill a hare or a duck or a grizzly bear, he could not own it, for the same simple reason that he did not produce it. And if the whole population of the United States, individually or in a body, would go fishing or hunting, the same would hold as to what they would catch; for "the right of property can not attach to things created by God." Nor can a Henry George man own the pen with which he writes, just as Mr. George himself did not and could not own the pen he was writing with. How so? Because the title by which he held it, was essentially vitiated. Mr. George says, he bought the pen from the stationer. True, but the stationer could not sell it, since he did not own it! He had purchased it from another who could not sell it, viz., the importer. The importer, indeed, had got it from the manufacturer; but the manufacturer himself could not dispose of it, since he did not own it; for he in his turn had got it from men who had no right to give it to him, viz., "those who dug the material out of the ground and shaped it into a pen". Here lies the radical fault that invalidates all further transactions.

It is not to be overlooked that, according

to the common ownership theory, all raw material is the common property of mankind at large. Now, in what way can something that belongs to all men become the property of one or several individuals, to the exclusion of all others? Only in this way that the previous ownership vested in all men ceases or is destroyed, and that in its stead a new ownership arises, vested in one or several individuals and based on a new title. But how shall the common ownership in a certain raw material cease when one or several dig it out of the ground? Does, perhaps, mankind by *common consent transfer* it to those individual men? Such consent does not exist and therefore can not transfer property. Or does, perhaps, the digging and handling of the material by some individual or individuals destroy the proprietorship vested in all men and change the common property, *without the consent* of its natural owners, i. e., mankind, into private property? Such an assumption would be absurd. As well might a pickpocket be entitled to call his own what he cleverly filches from the pocket of his unwary fellow-man? As an occupation or industry pocket-picking does not differ essentially from digging raw material out of the

ground or taking fish from the ocean. But as to the judicial effect to be produced, there is a great difference between the two cases: in the former only an acquired proprietorship of an individual, in the latter the natural proprietorship vested in all men is to be destroyed. Can reason approve the appropriation of raw material by those who dig it out of the ground and condemn the appropriation of his neighbor's purse by the pickpocket?

It is evident, therefore, that none of those through whose hands the pens passed until they reached the author of *Progress and Poverty* did really own them, and consequently Henry George did not own them either; he accordingly, wrote that famous work and all his other books with pens that did not belong to him! But the ink and paper, too, which he used, and the chairs on which he sat, and the clothes he had on—and all other things which he called his own, were in reality not his own. For what we have said of the pen, holds equally of all other material objects. Each and every one of them consists of some material which comes ultimately from nature, is created by God, and therefore belongs to mankind as the com-

mon property of all, that can never be appropriated by any individual to the exclusion of all others.

The theory of common ownership, therefore, is destructive of all private proprietorship in movables. But its destructive force reaches still farther: it makes the common ownership of land itself impossible!

All actual ownership must rest on a clear, valid title by which the object in question is understood to belong rightfully to such or such a person or collection of persons. There are various titles by which property is *transferred* from one owner to another, such as donation, purchase, and the like. These titles suppose an object already belonging to some owner; hence they necessarily presuppose another title. Among all the valid titles of ownership there must manifestly be one which does not presuppose any other, but is rather presupposed by all others. This absolutely first title is called the *primitive* or *original* title of ownership.

Henry George insists that "productive labor" is the original title of ownership. "That which a man makes or produces is his own, as against all the world"; and "there can be to the ownership of anything no rightful title which is not derived from the title

of the producer''; ''this right of property'' is ''the only full and complete right of property. It attaches to things produced by labor, but can not attach to things created by God.''

By what title, then, we ask, do the entire population of the State of New York own the land of the Empire State? Have they produced it? No more than a farmer produces the land which he cultivates. Hence they do not and can not own the territory of their State. For the same reason the entire nation does not and can not own the territory of the United States.

But, one might say, the people of that State live there and have been living there for many, many years. We answer: mere living in a place or district is no title of ownership to that place or district. Besides, by what right can the people of the Empire State exclude another people or nation from living there, if they choose? Suppose 10,000,000 Chinese would leave their native country in order to settle in the State of New York. Could they be excluded on the common ownership principle? Could they not rightly say: ''This fair land belongs to us as well as to you; you have lived here long enough, we want a chance to try our fortune

in this part of the western hemisphere. In making this demand we only claim what is ours. If you wish, you may migrate to the regions we have vacated. The great improvements we made there will, at least in part, compensate you for the improvements you have made here; what is wanting we shall make good in the course of time, for we are sure of our prosperity in this beautiful and fertile country. But we insist on our right which nature gave us." What answer, we ask, could a Henry George man, as governor of New York, for instance, give to these ten million Chinese immigrants? None but this: "You are right, my friends. I am the last to check or discourage your efforts towards greater prosperity. You show that you are an energetic, enterprising, progressive people. Whosoever hinders you from possessing and enjoying your lawful property wrongs you grievously!"

The reasoning of these fictitious Chinamen on the common ownership principle is evidently correct. But that principle itself, viz., that the whole earth is the common property of all men, is false, because there is no valid title for such ownership. As little as an individual or a particular nation, has mankind at large produced the earth. The title of

production, accordingly, cannot be appealed to, and this settles the matter against the Henry George system.

But, perhaps, some other title can be found, which proves said ownership to be vested in all men, perchance even that which Henry George denounces as "the most absurd" of all titles,—occupation or occupancy. This title, however, which is admitted by all who defend private landownership, does not exist as applied to the earth or to mankind at large. Neither has the *whole* earth ever been taken by occupancy, nor has the *whole* of mankind ever appropriated anything by primitive occupation. All appropriations by occupancy do and can only take place as to particular and limited portions of the earth and by individual men or particular families or groups of men or, at the utmost, by particular tribes or nations. Occupancy is out of question when we speak of the ownership of the whole earth being vested in all men.

There is only one possibility left: a grant of the Almighty by which He gave the whole earth to the whole human race as their common property. Such a grant, indeed, would be a valid title. It seems that Henry George believed in such a grant. For in his *Open Letter* he quotes approvingly the following

passage from a pastoral letter of Dr. Thomas Nulty, late Bishop of Meath, Ireland:[1] "God was perfectly free in the act by which He created us; but having created us He bound himself by that act to provide us with the means necessary for our subsistence. The land is the only source of this kind now known to us. The land, therefore, of every country is the common property of the people of that country, because its real owner, the Creator who made it, has transferred it as a voluntary gift to them. 'Terram autem dedit filiis hominum.' " ["The earth he has given to the children of men." Ps. 113, In exitu Israel, v. 16.]—Again Mr. George writes: "Everywhere [in the Scriptures] land is treated as the free bounty of God, 'the land which the Lord thy God gave thee.' "—He might have added in confirmation the following passages from Genesis:

"And God blessed them, saying: Increase and multiply, and fill the earth, and subdue it, and rule over the fishes of the sea, and the fowls of the air, and all living creatures that move upon the earth. And God said: Behold I have given you every herb bearing seed upon the earth, and all trees that have

[1] *Letter Addressed to the Clergy and Laity of the Diocese of Meath, Ireland, April 2, 1881.*

in themselves seed of their own kind, to be your meat: and to all beasts of the earth, and to every fowl of the air, and to all that move upon the earth, and wherein there is life, that they may have to feed upon. And it was so done." (Gen. i, 28–30.)

"And God blessed Noe and his sons. And he said to them: Increase and multiply, and fill the earth. And let the fear and dread of you be upon all the beasts of the earth, and upon all the fowls of the air, and all that move upon the earth: all the fishes of the sea are delivered into your hand. And every thing that moveth and liveth shall be meat for you: even as the green herbs have I delivered them all to you." (Gen. ix, 1–3.)

Leaving aside the Israelites, to whom "the land of Canaan" was given by the Lord in a special manner, not with common, but with private and inheritable landed property (Num. xxxiii, 51–54; xxxvi, 7–10), it is easily seen that the texts we have adduced contain indeed a general grant of the whole earth to mankind. The earth is assigned to man as his dwelling place and the storehouse whence he is to draw what he needs: "Fill the earth and subdue it," "rule" over the irrational creatures, all are at your disposal; animals as well as vegetables shall be " your meat."

But does the grant also specify in detail the rule or dominion it bestows on man? Does it convey *actual* ownership in the objects mentioned or only the power or *authority* of *acquiring* property; again, in either of the two alternatives is *common* ownership meant or *private?* Evidently the sacred text does not indicate in which of these various meanings the original grant is to be understood. It is as if God had said: The whole earth is for you, that you may be provided for; as to the manner how to use it, you have the light of reason; follow it, it is a sure guide. This and nothing else is the meaning of the passages quoted. It is the truth, which we also understand by the mere light of reason, that the earth is made for man to enable him to live and perfect himself according to the will of God and thus to attain his ultimate end in the life to come.

What, then, does reason tell us about the use of the great storehouse of nature whence we are to be provided for suitably and securely in this mortal life of hardship and toil? It tells us that each man has his individual needs which cannot be satisfied except by individual objects; the same individual objects, however, cannot satisfy, as a rule, the needs of several; hence man must have the right to

acquire what he needs, so that he can exclude others from the selfsame objects, and that permanently, because man's needs are permanent; in other words, he must have the right to acquire what he needs as *his private and exclusive property.* The things, however, which man needs not only for his bare existence, but for a suitable development and advancement also of his higher, intellectual and moral, nature, are very many and among them some real estate is for most men an indispensable condition of having a decent home, raising a prosperous and happy family, and enjoying a stable position in the vicissitudes of life. To acquire private property in land, therefore, must be no less in his power than to acquire movable property; else he would not be provided for suitably and securely. We say "*to acquire* private property." For it is evident that no particular object and no particular portion of land is by nature in any particular manner connected with a particular individual, as is necessarily the case when one can say: This is mine! Hence God has not directly given to the individual man any actual property. But, on the other hand, man needs private property, in movables and immovables. God must, therefore, have in-

vested him with the *right of appropriating*—by occupancy—whatever he deems fit to satisfy his various wants, out of the things offered by nature and not yet appropriated by others. Whosoever exercises his general right of *acquiring* property becomes thereby an *actual owner*. Where there is no opportunity for appropriation by occupancy—this supposes *ownerless* objects—reason points to other ways of acquiring property, viz., labor and the various transactions by which property is transferred from one owner to another.

This, then, is what natural reason teaches concerning property. It demands and sanctions private property in land as well as in chattels, and thereby disproves the common ownership advocated by Agrarians, Socialists, and Communists. Accordingly, not common actual ownership vested in all men, but the establishment of private ownership through man's activity, under the guidance of practical reason, was the purpose for which the Creator made that general grant of the earth to mankind; this we know by the light of reason and the word of God in Holy Scripture. The common ownership of the earth is, and remains, a mere fiction.

III

PRIVATE LANDOWNERSHIP A NATURAL RIGHT

Before the year in which he had ascended the papal throne came to a close, Leo XIII. raised his voice in his Encyclical Letter "Quod Apostolici Muneris," December 28, 1878, to denounce the errors and pernicious schemes of Socialists, Communists and Nihilists. He pointed out, in particular, that these enemies of human society, "enticed by the greed of temporal goods . . . attack the right of property sanctioned by the natural law—jus proprietatis naturali lege sancitum impugnant." To their vagaries he opposed the teaching of the Church in the following words:

"Catholic wisdom, resting on the precepts of the natural and divine law, has wonderfully provided for public and domestic tranquillity by her teachings on the right of property and the division of those goods which are suited to the necessities and conveniences of life. Socialists decry the right of property as a human invention opposed to

the natural equality of men. . . . The Church, on the contrary, acting more wisely and profitably by far, acknowledges among men who are naturally so different from one another in their powers of body and mind, an inequality of temporal possessions also, and ordains that the right of (private) property and dominion springing from nature itself be kept inviolate and intact. Ecclesia . . . inaequalitatem . . . etiam in bonis possidendis agnoscit et jus proprietatis ac dominii, ab ipsa natura profectum, intactum cuilibet et inviolatum esse jubet."

According to the Encyclical, therefore, the right of holding private property, in land as well as in chattels, is "a right sanctioned (i. e., established) by the natural law," a right "which springs from nature itself," in one word, it is a natural right.

Still more explicit is the Pope's teaching concerning property in his Encyclical "Rerum Novarum," of May 15th, 1891. In the first part he treats explicitly of landownership and in the second of the remedy for social evils. He speaks not merely as a private teacher or a philosopher, but as the teacher of the Universal Church. "In the present letter," he writes, "the responsibility of the Apostolic office urges Us to treat the

whole question [the condition of the working classes] of set purpose and in detail, in order that no misapprehension may exist as to the principles which truth and justice dictate for its settlement." And again in the beginning of the second part: "We approach the subject with confidence and in the exercise of the rights which manifestly belong to Us, for no practical solution of this question will be found apart from the intervention of religion and of the Church. It is We who are the chief guardian of religion and the chief dispenser of what pertains to the Church, and We must not by silence neglect the duty incumbent on Us." Leo's teaching, therefore, is the teaching of the Church, and consequently the subject of landownership can for a Catholic no longer be an open question.

But we are at present chiefly concerned with the philosophical arguments on which the institution of private landownership rests. These arguments are masterfully developed in the first part of the papal letter. We shall first review them, with some explanations, in order to bring out their full meaning; afterwards we shall give the complete text of this part of the Encyclical in a faithful translation.

The Pope begins by making four distinct charges against the Socialist scheme of substituting common for private landownership: first, "it harms the working classes themselves; moreover, it is most unjust, since it does violence to lawful proprietors; besides, it perverts the functions of the State, and, finally, it produces universal confusion." Then he develops these four charges, one after the other, but especially the second, the most important of all.

The first charge is an obvious, common-sense argument—argumentum ad hominem—which ought to silence all Socialist reformers who so loudly and incessantly parade as the saviors of the working classes and the improvers of their condition. "Why," a laborer might truly say, "you promise to better my condition and deprive me with one stroke of the very possibility of acquiring a home of my own! What do I wish for more than to have my own home, a substantial house on my own ground, with my own garden and lawn, where, after a day's work, I can rest and enjoy myself with my wife and children?" "What happier life," another might say, "than that of a farmer on his own estate, who raises his family in the healthful occupations of country life? He can improve

and extend his property with his children's aid and give them, when they once settle down for themselves, similar homes, where they may continue the same life of peace and contentment. Such has been for years my highest ambition."

To both these men our modern reformers would say: "Give up your plans; they are idle dreams. Private property in land is to be abolished. You may have a house somewhere, you may have a dwelling and stables and cattle on some farm—but all the land will belong to all. This is the new order!"—"Thus we should in fact be only tenants of the commonwealth," the men would answer, "and this you call happiness and independence? We want to dispose of our earnings as we please, investing them in land, which is the surest means for an independent and happy life here below. We prefer the old order. Let well enough alone!" [1]

The Pontiff passes to the principal and "graver charge, the manifest injustice of the scheme, since the right of having prop-

[1] Cf. *Socialism: Its Theoretical Basis and Practical Application. By Victor Cathrein, S.J. Revised and Enlarged by V. F. Gettelmann, S.J.* (New York, Benziger Brothers, 1904), Conclusion I. Pp. 361–363, where we read: "But to one point we must call attention. Even if Socialism were practicable, the great mass of farmers and artisans who are at present the objects of the most tender solicitude

erty [in land] is a right granted to man by nature.'' This argument is exposed at great length in the papal document. It contains two distinct proofs for the lawfulness of private landownership. For in two ways it can be shown that the right of having private property in land is ''granted to man by nature'': first, from *man's* rational nature, and, secondly, from the nature of the *soil.*

To sketch the first proof, it is evident that man has the duty to preserve and perfect himself in this life in order to attain his ultimate end. For this he needs many material things *exclusively* for his own use, since the same things for the most part cannot serve the purposes of several. He must, therefore, have the right to acquire material goods in such a manner that in their use he is independent of all others and can exclude all others from using them; and that not only for the present or for a short time, but *permanently.*

For man is endowed with reason by which

on the part of Socialists would have nothing to gain, but everything to lose. Independent farmers, artisans, business men are out of question in the Socialist system. Every man would but be a member of an immense State machinery, enjoying indeed equal rights with all the others, but utterly bereft of independence in the matter of gaining his livelihood. It were well for the independent farmer and artisan to bear this in mind."

he also foresees his future needs and is enabled to provide for them in advance and in a secure and more abundant manner. Moreover, his natural prudence urges him actually to take these precautions against the uncertainties of life and to procure the means for greater comfort and advancement. Hence he must have the right to acquire exterior things permanently as his own, i. e., to have *stable private property.* But where is that exterior object which affords man in the most secure manner what he needs for his suitable subsistence and improvement? It is the *earth,* which by its abundance and fertility is a never-failing storehouse of supplies. Hence he must have the right to *acquire* as his own also *land,* i. e., a suitable portion of the soil, and can make use of this right, i. e., *acquire* actual landed property, whenever an opportunity is offered and no other right is violated.

The right, therefore, of having private property in land as well as in chattels, follows from man's *rational nature,* and consequently is granted to him by the natural order or law. Of course, this does not mean that every man is *born* an actual landowner; but every one has by nature the right to *become* a landowner. The actual appropria-

tion of land as of chattels proceeds from man's *activity,* and is naturally very manifold, according to individual choice, ability, and opportunity; and, we must add, according to the dispositions of the civil law. For although the right of having private property in land and chattels is a natural right, proceeding directly from man's rational nature and not from the State,—in fact, man is older than the State,—it is nevertheless true that in civilized society the natural rights of property must not only be protected by the civil law, but are frequently also determined or regulated as to their actual application. Nor is it *necessary* that all men should be *actual* proprietors of land; but there should be many, very many; thus all men will be well provided for, either directly or indirectly, from God's large storehouse, "the earth with its abundance and fertility."

The same truth,—that the natural law authorizes man to acquire private property in land,—can also be proved from the nature of the *soil.* The earth is indeed productive; yet to provide man sufficiently and permanently, it needs constant care and cultivation. Now if a man cultivates a piece of ground which has no owner, or builds on such ground, natural reason tells us that he thereby makes

that land his own, and no one can advance or urge any claim to it without injustice. It is the same as if a traveller in a primeval forest would shape a suitable piece of wood into a staff or weapon; that staff or weapon would undoubtedly be his own.

The deeper reason of such appropriation lies in this that, whenever a man works independently of all others and entirely for himself, being neither helped by others nor bound by any title to work for others, the *whole result* of his labor is entirely *his;* he can, accordingly, enjoy it fully and dispose of it completely and independently; for this is meant by having something as one's own. Now such exactly is the case of a man who cultivates an ownerless field or builds a house with his own or with ownerless material on ownerless ground. He works independently and entirely for himself. The direct and immediate effect, therefore, of his labor, i. e., the physical improvements made in the soil and the actual form given to the building material, are entirely his own. But what would his ownership or the right to the full enjoyment and free disposal of the effects of his labor avail him, if he could not likewise freely dispose of the soil and the material in which those effects are inseparably

embodied? The free disposal of the former without the free disposal of the latter is impossible. Hence it follows that the owner of the improvements must also be the owner of the soil. Whosoever denies him the ownership of the soil, practically destroys his ownership in the improvements and thus, forsooth, "robs him of the very fruits of his labor." Cultivation and improvement, therefore, of ownerless land actually imply the appropriation of that land.

For the rest, actual cultivation or improvement is not absolutely necessary for actual ownership. A piece of ownerless land could be set apart and marked as appropriated by some one before any cultivation or improvement took place, e. g., by a fence or some visible landmarks. The ensuing cultivation, however, and the improvements, mark it still more clearly as appropriated and furnish, as we have just seen, a special argument for the lawfulness of private property in land.

After proving the justice of private property in land from the nature of man and the nature of the soil, the Pope adds a threefold confirmation: from the conviction of mankind, the civil laws of nations, and the authority of divine revelation.

Having thus substantiated his second

charge against the socialization of the soil, he passes to the third, viz., that this scheme "perverts the functions of the State."

Thus far man has been considered merely as an individual person. Now, if we take into account his family relation, his right of having private property in land will appear in still clearer light. For in his capacity as head of a family his right of having private property must be the stronger as in the domestic circle his charge extends over more persons. The welfare and security of the family for the present and the future, require the ownership of productive property, which by inheritance can be transmitted to the children. It is, therefore, a demand of nature that such right be vested in the head of the family independently of the State, since the family is naturally prior to the State, and that such right should be protected rather than destroyed or curtailed in the commonwealth. The scheme, therefore, of socializing the land and having the community or the State administer the landed property needed by, and belonging in justice to, the single families, transfers to the State the natural right of the parent and thus attacks and invades the sacred precincts of the home.

From the foregoing considerations follows,

finally, the truth of the last charge, that socializing the soil would "create universal confusion." The peace and prosperity of society at large demand most emphatically the existence of private property not only in chattels, but also in land; without it the way would be paved to a slavish dependence of the citizens upon the State, and a wide door would be thrown open to mutual discord, to universal misery and degradation. These are the arguments advanced by Leo XIII. to show the necessity and lawfulness of private property in land. We subjoin the exact words of the Pope.

IV

LEO XIII. ON PRIVATE PROPERTY IN LAND [1]

"To remedy this evil [the miserable condition of the masses] the Socialists, working on the poor man's envy of the rich, maintain that private ownership of [landed] property must be overthrown and in its stead property common to all be introduced, to be administered by those who are at the head of municipal bodies or of the entire commonwealth. By thus transferring property from private persons to the community, the present evil state of things, they believe, will be cured and temporal goods and comforts be equitably distributed among the citizens. But this scheme is so manifestly unsuited to solve the social question, that [in the first place] it would harm the working classes themselves; moreover, it is unjust, since it does violence to lawful proprietors; besides, it perverts the functions of the State, and, finally, produces universal confusion.

[1] From the Encyclical "Rerum Novarum" of May 15, 1891. (*Acta Leonis*, Ed. Desclée, de Brouwer et Soc., Vol. IV, pp. 178 sqq.) Our translation was made with the view of rendering the *sense* as faithfully as possible.

"(I.) It is easy to see that, when a workingman engages in remunerative labor, the immediate motive and direct purpose of his work is, to obtain property and to hold and enjoy it as his own. For if a man hires out his strength and his industry to another, he does this with the intention of receiving in return what is necessary for food and living; he, therefore, expressly means to acquire a real and perfect right not only to the wages but also to the free disposal of them according to his own good pleasure. Hence, if he by living sparingly saves some money and, for greater security, invests his savings in real estate, that real estate is in fact nothing else than his wages in another form; consequently the land which the workingman has thus bought will be in his power just as were the wages he had gained by his labor. But, as will be readily understood, it is precisely in this power of free disposal that the right of property consists, whether in land or chattels. The Socialists, therefore, in endeavoring to transfer all [landed] property from individuals to the community, strike at the interests of every wage-earner; for they destroy his power of disposing of his wages at will and thereby deprive him of the hope and

possibility of increasing his stock and of bettering his condition in life.

"(II.) What is of still greater importance, however, is that the remedy they propose is manifestly against justice, since the right of having property [in land] is a right granted to man by nature.

"(a.) Indeed in this regard, too, there is a sharp distinction between man and the animal creation. For the brute has no power of self-direction, but is governed by two chief instincts, which not only preserve and properly develop its powers, but also arouse and determine all its particular actions. These instincts are self-preservation and the propagation of the species. Both can conveniently attain their purpose by the use of things which are close at hand; beyond these the brute cannot go, because it is moved to action by sensibility alone and by particular objects perceived by the senses.

"It is far different, however, in the case of man. He possesses, on the one hand, the full perfection of animal nature, and therefore enjoys, at least as much as the brute animals, the fruition of what corporal things offer. But animality, however perfect, is far from being the whole of human nature; it is hu-

manity's humble handmaid, made to serve and obey. The mind, or reason, is the chief thing in us; it is this which makes a human being human, and distinguishes him essentially and completely from the brute. And on this account—viz., because man alone among animals possesses reason—it must be within his right to have things not merely for actual and temporary use, as other living creatures have them, but to hold them in *stable and permanent* possession; and not only things which in being used are consumed, but also such as, though used, remain unimpaired.

"This becomes still more evident if we consider man's nature a little more deeply. For man, comprehending by the power of his reason things innumerable, and joining the future with the present; being, moreover, the master of his own actions, governs himself by the foresight of his counsel, under the eternal law and the power of God Whose Providence rules all things. Wherefore it is in his power to exercise his choice not only on things which regard his present welfare, but also on those which will be for his advantage in time to come. Hence it must be possible for him to acquire as property not only the *fruits* of the earth, but *the very soil*

itself; for it is in the produce of the latter that he finds the necessaries of life for the future. Man's needs do not pass away, but return unceasingly; though satisfied to-day, they demand new supplies for the morrow. Nature, therefore, must have given to man a stable and never-failing storehouse from which he may draw never-ending supplies. But such never-ending supplies nothing can afford except the earth with its abundance and fertility.

"Nor need we for this right apply to the State. Man is older than the State and consequently must have possessed, prior to the formation of any State, the right of providing for his subsistence.—The fact, furthermore, that God has given the earth for the use and enjoyment of the whole human race, does not in the least prevent the existence of private possessions. For if it is said that God gave the earth to mankind in common, this is not to be understood as if He wanted the common ownership of the earth vested in all men, but because He did not assign to any one the possession of any particular portion of the earth, leaving the actual distribution of private possessions to men's industry and to the laws of peoples.

"For the rest, in whatever manner the

earth may be divided among private owners, it never ceases to minister to the needs of all; for there is no one who does not derive his subsistence from the produce of the soil. Those who have no landed property make up for this by their labor. Hence it may truly be said that all human subsistence is derived either from the labor expended on one's own land, or from some other laborious industry, the reward of which consists in some product of the soil, or at any rate is exchanged for what the land brings forth.

"(b.) Hence there arises a new proof that private property in land is in perfect harmony with the natural law. For the things which man needs for the preservation of his life, and especially for his well-being and improvement, the earth furnishes indeed in great abundance, but not without cultivation and care expended on the soil. Now if a man exerts both his mental faculties and his physical strength in procuring the fruits of nature, by so doing he makes his own that portion of the earth which he cultivates and on which he leaves, as it were, the impress of his personality. Wherefore it can not but be just that he should possess that same portion of the earth as his very own, and it

cannot be lawful for any one to violate such right.

"The force of these arguments is so evident that it seems amazing that some should be setting up certain obsolete opinions in opposition to what has here been maintained. They grant to the individual man the use of the soil and the various products of landed possessions, but declare it absolutely wrong that one should consider himself the real owner of the land on which he has built or of the estate which he has brought under cultivation. Forsooth, the opponents of individual landownership do not see that they are robbing man of the very fruits of his labor. For the soil which is cultivated with labor and skill utterly changes its condition: from being wild it becomes productive, from being barren, fruitful. That which has thus altered and improved the land is so closely connected and so perfectly identified with the same that for the greatest part it can in no wise be separated from it any more. Now would it not be a violation of justice if any one would appropriate for himself and enjoy that which another has gained in the sweat of his brow? As effects follow the cause by which they have been produced, so it is but

just and right that the fruits of labor should belong to those who have bestowed the labor.

"(c.) With good reason, therefore, has the whole of mankind, not minding the dissenting opinions of a few, but rather carefully studying the demands of nature, seen in the natural law itself the foundation for the division of earthly goods; and with good reason has it by the practice of all ages consecrated the existence of private possessions as being preeminently in harmony with human nature and conducive to the peace and tranquillity of society.—The civil laws, moreover, which, so long as they are just, derive their binding force from the natural law, likewise confirm and protect, even by coercion, the right of property of which we are speaking.—The same has, finally, been sanctioned by the authority of the divine law, which most severely forbids us even to covet that which belongs to another. 'Thou shalt not covet thy neighbor's wife, nor his house, nor *his field,* nor his man-servant, nor his maid-servant, nor his ox, nor his ass, nor anything that is his.' (Deut. v, 21.)

"(III.) The rights here spoken of, belonging to each individual man, are seen in a much stronger light, if they are considered in

connection with man's obligations in the domestic circle.

"In choosing a state of life, it is indisputable that all are at full liberty either to follow the counsel of Jesus Christ as to virginity or to enter into the bonds of marriage. No human law can take from man the natural and primitive right to marry, or in any way limit the principal purpose of marriage, ordained by God's authority from the beginning: 'Increase and multiply.' (Gen. i, 28.) Thus we have the family or domestic society, small, indeed, in numbers, but a true society and one which is older than any civil society and therefore must have rights and duties of its own, totally independent of the commonwealth. The right of private property, then, which has been proved to belong naturally to man as an individual person, must likewise belong to him as the head of a family; nay, this right must be the stronger as in the domestic circle his charge extends over more persons.

"For it is a most sacred natural law that the father of a family must provide food and all necessaries for those whom he has begotten; besides, nature herself instills in him also the desire to provide for the future of his children who carry on, as it were, and con-

tinue his own personality, so as to enable them honorably to keep themselves from want and misery in the uncertainties of this mortal life. Now in no other way can a father effect this, except by the ownership of productive property which he can transmit to his children by inheritance.

"The family, no less than the State, is, as We have said, a true society, governed by a power within itself, that is, by the father. Wherefore, provided the limits prescribed by the immediate purpose of its existence be not transgressed, the family has, at least, equal rights with the State in the choice and pursuit of those things which are needful to its preservation and its just liberty. We say, at least equal rights; for since the domestic household is anterior both in idea and in fact to the union of men in the commonwealth, its rights and duties must likewise be prior and more immediately based on nature than are those of the State. If the citizens or the families on entering into association and fellowship experienced at the hands of the State hindrance instead of help and found their rights curtailed instead of protected, such association were rather to be repudiated than sought after.

"The notion, then, that the civil govern-

ment should, at its own discretion, penetrate and pervade the family and the household, is a great and pernicious error.—True, if a family finds itself in very great stress, utterly friendless, and without prospect of assistance, it is right that extreme necessity be met by public aid; for each family is a part of the commonwealth. In like manner, if within the walls of a household there occur grave disturbances of mutual rights, the public power must interfere to force each party to give the other his due; for this is not to rob citizens of their rights, but justly and properly to safeguard and strengthen them. But here the rulers of the State must stop; nature bids them go no farther. Fraternal authority can neither be abolished by the State, nor absorbed by it; for it has the very same source as human life itself. 'The child belongs to the father,' and is, as it were, the continuation of the father's personality; and, to speak accurately, the child takes its place in civil society not in its own right, but in its quality as a member of the family in which it is begotten. And it is for this very reason that 'the child belongs naturally to the father,' that, as St. Thomas Aquinas says, 'Before it attains the use of free will, it is in the power and care of its parents.' (S. Th.

II. II. qu. 10. art. 12.) The Socialists, therefore, in setting aside the solicitude of the parents and introducing the providence of the State, *act against natural justice,* and threaten the very existence of family life.

"(IV.) And such interference is not only unjust, but is quite certain to harass and disturb all classes of citizens, and to subject them to odious and intolerable slavery. It would open the door to envy, to evil-speaking and to quarrelling; the very sources of wealth would necessarily run dry, for no one would have any interest in exerting his talents or his industry; and that universal equality which they imagine, would, in reality, be the levelling of all to the same condition of misery and dishonor.

"From all We have said it is clear that the main tenet of Socialists, viz., the substitution of common for private ownership, must be utterly rejected. It works harm to those who are to be assisted; it is contrary to the natural rights of individuals; it perverts the functions of the State; it destroys the peace and harmony of society. The first and most fundamental principle, therefore, if we wish to alleviate the miserable condition of the masses, must be the inviolability of private property."

V

HENRY GEORGE'S VAIN ATTEMPT TO REFUTE THE POPE'S ARGUMENTS

Henry George's *The Condition of Labor: An Open Letter to Pope Leo XIII.*, is in more than one respect a curious literary production. It shows, among other things, how a gifted and well-meaning man may eventually be so completely taken up by one false notion as to lose sight even of the most elementary truths and the most obvious facts. It shows, above all, that this Agrarian Socialist had perfectly well understood the import of the papal document. "I have read with care," he begins, "your Encyclical Letter On the Condition of Labor, addressed, through the Patriarchs, Primates, Archbishops, and Bishops of your faith, to the Christian World. Since its most strikingly pronounced condemnations are directed against a theory that we who hold it know to be deserving of your support, I ask permission to lay before your Holiness the grounds of our belief, and to set forth some considerations that you

have unfortunately overlooked. The momentous seriousness of the facts you refer to, the poverty, suffering and seething discontent that pervade the Christian world, the danger that passion may lead ignorance in a blind struggle against social conditions rapidly becoming intolerable, are my justification."

The author does not hesitate to remind the Pontiff again and again of the serious error into which his prejudices have caused him to fall. Let us cull a few passages from the *Open Letter.*

"To your proposition that 'Our first and most fundamental principle, when we undertake to alleviate the condition of the masses, must be the inviolability of private property,' we would joyfully agree if we could only understand you to have in mind the moral element, and to mean rightful private property, as when you speak of marriage as ordained by God's authority we may understand an implied exclusion of improper marriages. Unfortunately, however, other expressions show that you mean private property in general and have expressly in mind private property in land. This confusion of thought [!], this non-distribution of terms [!], runs through your whole argument [!], leading

you to conclusions so unwarranted by your premises as to be utterly repugnant to them, as when from the moral sanction of private property in things produced by labor you infer something entirely different and utterly opposed, a similar right of property in the land created by God."

"Your use, in so many passages of your Encyclical, of the inclusive term 'property' or 'private property,' of which in morals nothing can be either affirmed or denied, makes your meaning, if we take isolated sentences, in many places ambiguous [!]. But reading it as a whole, there can be no doubt of your intention that private property in land shall be understood when you speak merely of private property. With this interpretation, I find that the reasons you urge for private property in land are eight. Let us consider them in order of presentation."

"But while we appreciate the many wholesome truths you utter, . . . yet it is painfully obvious to us that one fatal assumption hides from you the cause of the evils you see, and makes it impossible for you to propose any adequate remedy. This assumption is, that private property in land is of the same nature and has the same sanctions as private property in things produced

by labor. In spite of its undeniable truths and its benevolent spirit, your Encyclical shows you to be involved in such difficulties as a physician called to examine one suffering from disease of the stomach would meet should he begin with the refusal to consider the stomach." [*Sic!*]

"One false assumption prevents you from seeing the real cause and true significance of the facts that have prompted your Encyclical. And it fatally fetters you when you seek a remedy."

"In the beginning of the Encyclical you declare that the responsibility of the apostolic office urges your Holiness to treat the question of the condition of labor 'expressly and at length in order that there may be no mistake as to the principles which truth and justice dictate for its settlement.' But, blinded by one false assumption, you do not see even fundamentals." [!!]

It is amusing to hear a man like Henry George accuse Leo XIII. of confusion of thought and ambiguity in terms. The entire Encyclical "Rerum Novarum" is a masterpiece of precision, conciseness, and depth of thought, which cannot adequately be rendered by any translation. As to the term "property," it is evident from his very first

argument, that the Pontiff treats explicitly of *landed* property only; speaking all along of *praedium, fundus, terra, possessiones, ager, naturae corporeae pars, solum,* he need not add each time that this property is meant to be property in land. Moreover, "that private property in land is of the same nature and has the same sanctions as private property in things produced by labor," the Pope does not "assume," but "demonstrates" from various sources, in particular from the nature, individual and social, of man, and from the nature of the soil. Thereby he *disproves* common landownership, the tenet so dear to all Communistic systems, and thus refutes efficaciously and with one stroke Agrarians, Socialists, and Communists of whatever description.

From the seriousness and boldness of Mr. George's pronouncements we should expect that he had found some formidable objections against the Pope's arguments; but when we analyze his exceptions we are reminded of the Latin saying, "Parturiunt montes, nascetur ridiculus mus!" Nevertheless, we shall review them "in order of presentation." They will offer us an opportunity of elucidating all the details of the natural right theory of ownership. Besides, they

have never, as far as we are aware, been explicitly refuted in any English book or treatise.[1]

Mr. George begins: "You urge: 1. *That what is bought with rightful property is rightful property.*—Clearly, purchase and sale cannot give, but can only transfer ownership. Property that in itself has no moral sanction does not obtain moral sanction by passing from seller to buyer. If right reason does not make the slave the property of the slave hunter, it does not make him the property of the slave buyer. Yet your reasoning as to private property in land would as well justify property in slaves. To show this it is only needful to change in your argument the word land to the word slave. It would then read: . . ."

This objection is directed against the first argument or "charge" of the Pope. The answer is obvious.

(a) The sentence, apparently taken verbatim from the Encyclical, is not there at all.

(b) In his first argument Leo XIII. does

[1] Mr. George's *Open Letter* was answered by the *Civiltà Cattolica*, 1892, I. pp. 194–203 and pp. 316–322. His objections are also ably refuted by Rev. Henry Pesch, S.J., in his volume on *Liberalismus, Socialismus und Christliche Gesellschaftsordnung* (pp. 278–330), which is the ninth "Heft" of *Die sociale Frage* illustrated by the *Stimmen aus Maria-Laach* (Herder, Freiburg, 1896).

not pretend to *prove* the justice of private property in land—this is expressly reserved for the second; he merely calls attention to the obvious and palpable fact that the socialization of the soil would "harm the working classes themselves."

(c) The application of the alleged principle to the purchasing of slaves, is altogether out of place, since the Pope neither maintains nor uses that absurd maxim in his "argumentum ad hominem." Those acquainted with Henry George's writings know that identifying private landownership with chattel slavery is one of his hobbies. Here he wastes four pages in an endeavor to inspire the Pope and other readers with horror against these two "forms of the same robbery." In fact, the four pages must fill a candid and reflecting mind with horror because they teem with absurd statements and wild exaggerations. Just listen for a moment:

"Private property in land, no less than private property in slaves, is a violation of the true rights of property. They are different forms of the same robbery; twin devices by which the perverted ingenuity of man has sought to enable the strong and the cunning to escape God's requirement of labor by forcing it on others.

"What difference does it make whether I merely own the land on which another man must [?] live or own the man himself? [A very great difference.] Am I not in the one case as much his master as in the other? [No.] Can I not compel him to work for me? [No.] Can I not take to myself as much of the fruits of his labor; as fully dictate his actions? [No.] Have I not over him the power of life and death? [No.] For to deprive a man of land is as certainly to kill him [!] as to deprive him of blood by opening his veins, or of air by tightening a halter around his neck."[!] What a splendid array of arguments! Mr. George may rest easy; in the natural system of private landownership no landowner "can," i. e., is empowered to deprive another man of land. For the same natural law that grants him the right to own land, limits this right by essential conditions and imposes upon him duties towards his fellowmen which he is in justice bound to observe; besides, if the civil authority, in the interest of the public welfare, has made special enactments concerning landed property, the landowner is by the natural law obliged to observe also these "positive" laws. Among the numer-

ous wrong notions of Henry George we find also these: That according to the theory of private landownership one or half a dozen men could appropriate—by occupation—the whole earth; that, private property in land once admitted, there is no restraint put on landowners as to the use of their property: not by the natural law, which grants them an "absolute" right; nor by the civil law, because to admit any such State interference would be "Socialistic." These two absurd notions are the basis of his tirades—not against those landowners only who *abuse* their rights of ownership, but against landownership as such, as if the abuses of proprietorship were an essential feature, a part and parcel of the system. Is there any right that cannot be abused? Are the rights of property in movables not abused too, perhaps to an equal if not to a far greater extent than the rights of landownership? Yet landowners alone are held responsible by our Agrarian economist for all the miseries of society!

"2. That private property in land proceeds from man's gift of reason.

"In the second place your Holiness argues that man possessing reason and forethought may not only acquire ownership of the fruits

of the earth, but also of the earth itself, so that out of its products he may make provision for the future.

"Reason, with its attendant forethought, is indeed the distinguishing attribute of man . . . and labor involves the use of reason. . . . It is mind, the intelligent reason, that is the prime mover in labor, the essential agent in production. The right of private ownership does therefore indisputably attach to things provided by man's reason and forethought. But it cannot attach to things provided by the reason and forethought of God!"

This is no refutation of the Pope's argument taken from man's rational nature. The last sentence quoted is a mere assertion and is obviously false. Why should I not be allowed to appropriate for my exclusive use a *share* of those numberless necessary or useful things which the Almighty has provided for all his children? Would I thereby rob others or prevent them from likewise acquiring a *share?*

Henry George insists on his demand that you must first produce something by labor, then only can you own it. But in order to produce something, you must have some material to work upon and to make something of, say a walking cane, a club, an arrow.

Now suppose just when you are ready to begin your work, I snatch the particular piece of wood which you intended to shape into an arrow, out of your hand, run away, and make myself an arrow out of it. Whose is this arrow? I say with Henry George, it is mine, because I *produced* it. And I hear you at once indignantly protest and exclaim: "You had no right to snatch that piece of wood out of my hand; you took away from me what was mine; you did me a wrong!" My answer is ready: "So you claim that piece of wood was yours before you had made or begun to make something out of it by your labor—and you are right. First you must *have* or *acquire* some material as your own; then only can you *begin* to work on it to the exclusion of all others, and what you then make of it by your labor, is undoubtedly yours 'as against all the world.'"

Production, accordingly, *can not* be the *first,* nor consequently the *only,* title of proprietorship. Before you can proceed to produce, you must acquire as your own some one object from among the numberless things provided by God's providence and not yet appropriated by others. The acquisition of an ownerless object takes place by apprehension or "occupation."

To support his view, Henry George uses an illustration: "Let us suppose a company travelling through the desert. . . . Such of them as had the forethought to provide themselves with vessels of water would acquire a just right of property in the water so carried. . . . For while water itself is of the providence of God, the presence of this water in such vessels, at such place, results from the providence of the men who carried it. Thus they have to it an exclusive right. But suppose others use their forethought in pushing ahead and appropriating the springs, refusing when their fellows come up to let them drink of the water save as they buy it from them. Would such forethought give any right?" Why not, if in that place there were *many* springs and that thoughtful party would seize *one* of them? Mr. George evidently has in his mind one or a few men seizing, i. e., occupying, a whole continent or the whole earth.

"Let me show this more fully, since it may be worth while to meet those who say that if private property in land be not just, then private property in the products of labor is not just, as the material of these products is taken from land. It will be seen on consideration that all of man's production is anal-

ogous to such transportation of water as we have supposed. In growing grain, or smelting metals, or building houses, or weaving cloth, or doing any of the things that constitute producing, all that man does is to change in place or form pre-existing matter. As a producer, man is merely a changer, not a creator; God alone creates. And since the changes in which man's production consists inhere in matter so long as they persist, the right of private ownership attaches the accident to the essence, and gives the right of ownership in that natural material in which the labor of production is embodied. Thus water, which in its original form and place is the common gift of God to all men, when drawn from its natural reservoir and brought into the desert, passes rightfully into the ownership of the individual who by changing its place has produced it there."

Here we have a fair specimen of Henry George's accuracy of thought and expression. What he tries to prove is that water which is brought into the desert becomes thereby the private *property* of him who *carries* it there and, in general, that the *producer* can claim the *product* of his labor as his private property, although the material of the prod-

uct is taken from land, the common property of all. Does he prove anything? Let us first take the case of those carrying water into the desert.

We trust Mr. George will not compel us to carry the water into a desert in order to own it; but that he will grant it to us as our own as soon as we have drawn it from its "original place" where it is "the common gift of God to all men." Why do we own it then? Because "the presence of this water in such vessels, in this place, results from the providence" of those who brought it there, who "by changing its former place produced it there"! In a word: the water in the river or well is God's common gift to all, belonging to all; the water in your cup is your production.—Who in the world calls *moving* a thing from one place to another *producing* that thing? Do customers who try on hats in a store *produce* them on their head when they put them on? If so, they could keep them without paying for them, because "they produced them there." This is sheer nonsense! By changing its place you in no wise produce an object; it remains what it was before; but you give it, or produce, its new position, that is all. Hence the title of "production" can-

not be applied to the water taken from its natural reservoir.

But can, perhaps, the change in place as such effect ownership? Certainly not. Otherwise what could hinder me from covertly pouring the water from your cup into mine and thus making it my private property? By filling your cup with water you destroyed the *common ownership of all mankind* in that water; why should the pouring of the same water from your cup into mine not destroy *your* ownership in that water? Is the natural and common ownership of mankind not a far stronger title than the acquired ownership of one individual? Hence the same action—change of place—should be able to destroy the former, stronger, but not the second, weaker, title? According to Henry George, therefore, water or any other creature of God can no more be the private property of any one when taken from its original place, than it was before.

Production properly signifies,—bringing something into *existence* or causing it to *exist*. If the production takes place without pre-existing matter, we have creation, in the proper sense; otherwise we have ordinary production, i. e., a change of something into some-

thing else. "As a producer, man is merely a changer, not a creator; God alone creates." But a producer man is not by merely changing things in place; he must cause in them some *new form* by which they are now *what* they were not before; thus only he causes a *new being* to exist, thus only is he "a producer." How, then, does Henry George prove that "a producer," in the strict and proper sense, acquires private ownership in the "product" of his labor, as commonly understood, i. e., not only in the new form, but also in the material or substance, of which it consists?

"Since the changes in which man's production consists, inhere in matter so long as they persist, the right of private ownership attaches the accident to the essence, and gives the right of ownership in that natural material in which the labor of production is embodied." This looks very much like a philosophical proof. One might even suspect it to have been copied from an argument of the Encyclical itself. The Pope writes: "The soil when cultivated with labor and skill, utterly changes its condition: from being wild it becomes productive; from being barren, fruitful. That which has thus altered and improved the land is so closely connected and so perfectly identified with

the same, that for the greatest part it can in no wise be separated from it. Now would it not be a violation of justice for any one to appropriate to himself and enjoy that which another has gained in the sweat of his brow?"

Such is the Pope's argument from the nature of the soil. Put in the short form of Mr. Henry George it runs thus: Since the changes in which man's production consists, e. g., the physical alterations and improvements of land, inhere in matter, in our case in the cultivated land, so long as they persist the right of private ownership attaches the accidents, the alterations and improvements, to the essence, the land, and gives the right of ownership in that natural material, the soil, in which the labor of production is embodied.—We must thank Mr. George for placing the Pope's argument so clearly and convincingly before us; thus no one can escape its cogency. Physical changes in the soil that are the result of my labor, are mine, and I can claim all the benefit accruing from them. But those same changes inseparably inhere in the soil and cannot be used without using the soil, and no one can use the soil without using them. Hence my ownership in the changes cannot subsist without owner-

ship in the soil. Accordingly, to deny me the latter is to deny me also the former—is to rob me of the fruits of my labor.

But notwithstanding its simplicity and cogency Henry George is bold enough to reject this argument. He rejects *his own proof* when applied to *land,* and upholds it when applied to *water* which you carry into the desert and so produce it there [!], and to *ordinary productions* in which natural material is used.

It is evident that this discrimination is quite arbitrary and against all logic. Either he has to admit the validity of the argument in all cases of labor embodied in pre-existing matter, or to deny it in all. All things of nature are equally the common gift of God to all men. There is no difference whatever in this respect. But now comes the decisive question: how is the original grant of natural things by God to all men to be understood? Are all things thereby made the common property of all men, or are they only objects without an actual owner, *res nullius,* but appropriable by any one who fulfills the conditions of appropriation? Henry George chooses the first alternative and in this supposition the said argument is invalid in all cases of labor embodied in pre-existing mat-

ter; for the exclusive ownership of an individual in the material would rob all other men of their natural ownership in the same. Hence in his theory there can be no private property in any product of labor, which is absurd. The Pope chooses the other alternative, the only reasonable and true one, and in this supposition the argument is valid in all cases of labor embodied in pre-existing matter, whether land or other natural material.

It seems that Henry George himself had some misgivings about *his* proof of private ownership in the products of labor. For in the very next paragraph—who would deem such a thing possible?—he explicitly *denies* that the *private ownership* proved by him is *real ownership!* Here are his words: "But such right of ownership is in reality a mere right of temporary possession. For though man may take material from the storehouse of nature and change it in place [!] or form to suit his desires, yet from the moment he takes it, it tends back to that storehouse again. Wood decays, iron rusts, stone disintegrates and is displaced, while of more perishable products, some will last for only a few months, others for only a few days, and some disappear immediately on use." This passage shows anew the woeful lack of clear

ideas and sound principles in the author of the *Open Letter.*

The fact or *right* of my full ownership in some exterior property is one thing, the *duration* of my ownership or my property, another. The second in no way affects the first. When I give the object away, when it perishes, or when I die, I cease to be the owner, and the property ceases to be *my* property; before that I am the owner, after that the property passes to another owner or returns to the storehouse of nature. Henry George explicitly grants private ownership in "such things as buildings, which with repair will last for generations;" he will undoubtedly also grant it in such as will last so long without repair; likewise in the products of labor and art which last for thousands of years, like the Roman triumphal arches or the pyramids of Egypt; but he will *not* grant the private ownership of the ground on which such buildings or monuments are erected. Is this not inconsistent?

"*3. That private property in land deprives no one of the use of land.* . . . You say in substance, that even though divided among private owners the earth does not cease to minister to the needs of all, since those who do not possess the soil can by selling their

labor obtain in payment the produce of the land."

Nothing is truer and more clearly evident than what the Pope says. How does Henry George "refute" it? By two illustrations which would be to the point only if the earth were the common property of mankind or if one man or a few men could appropriate a whole country by occupancy. Next he calls the Pope's attention to the miserable condition of various countries with large agricultural districts, Italy, Roman Britain, the once flourishing provinces of the East, Scotland, Ireland, the United States, Australia, and finally cries out: "To the mere materialist this is sin and shame. Shall we to whom this world is God's world—we who hold that man is called to this life only as a prelude to a higher life—shall we defend it?" As if the writer in his *Open Letter* or elsewhere had made it, we would not say certain, but in the least probable, that all this universal misery is due to *the institution of landed property as such,* and not rather to the iniquities of individual landowners, of speculators in land, of possessors of movable capital, and the perverse or deficient legislation of many countries where the laws do not check the gravest commercial and industrial abuses, by which

the needy suffer most and the enormously rich become richer still!

"*4. That industry expended on land gives ownership in the land itself.*"—This is the Pope's argument taken from the nature of the soil and refers to *ownerless* land, as all land originally was. Since the five pages which Mr. George devotes to this head contain absolutely nothing new, we may at once pass to the next.

"*5. That private property in land has the support of the common opinion of mankind, and has conduced to peace and tranquillity, and that it is sanctioned by Divine Law.*

"Even were it true that the common opinion of mankind has sanctioned private property in land, this would no more prove its justice, than the once universal practice of the known world would have proved the justice of slavery."

In ethics a twofold kind of slavery is distinguished; one in which the essential rights of man as a person and moral being are safeguarded, and the slave is merely bound to perpetual service for perpetual support ("famulatus perpetuus pro perpetuis alimentis"); the other in which the slave is considered and treated as a chattel without rights. Although even the former, or mitigated, kind

of slavery is little in harmony with man's natural dignity, yet it is not intrinsically and absolutely opposed to the natural law. It was allowed among the Jews (Levit. xxv, 44–46); among the heathen nations of the ancient world it had gradually become a social necessity and was lawful; hence St. Paul ordered Christian slaves "to obey in all things [their] masters according to the flesh" (Col. iii, 22). The second kind, or absolute slavery, is intrinsically and essentially against the natural law and was never licit, although it was widely practiced among heathen nations and even sanctioned by their laws. But neither kind of slavery can claim that universality in time and space which the system of private landownership can. Historically, the latter can be traced back to the cradle of the human race; it is found as a lasting institution among all civilized nations; now and then there occurs an instance of collective property in land; it is always with peoples who have no fixed habitation or with tribes still on a low stage of culture; but as soon as they give up their roving mode of life or when they advance to a higher stage of civilization, the system of common ownership is gradually supplanted by the introduction of private property in land.[1]

[1] Cf. H. Pesch, l. c., pp. 225–235.

"As to private property in land having conduced to the peace and tranquillity of human life, it is not necessary more than to allude to the notorious fact that the struggle for land has been the prolific source of wars and of lawsuits, while it is the poverty engendered by private property in land [?] that makes the prison and the workhouse the unfailing attributes of what we call Christian civilization."

Could we not "allude" likewise to the notorious fact that the struggle for political dominion or sovereignty has been the "source" of numberless wars, and private property in objects different from land the "source" of countless lawsuits? In reality, however, it is not political sovereignty, or private property in land or chattels, that is the *source* of so much strife among nations or individuals, but the wickedness and greed of men who do not respect the rights of others, nations or individuals. Honest men will respect the rights of their fellow-men, and where the rights of individuals or private societies are not respected, the higher power of authority must step in to procure for each his dues. Were there no rights of private property, there would be no violations or wrongs either. Every one, there-

fore, could without injustice deal with his neighbor's so-called "possessions" as he pleased. The weaker would be at the mercy of the stronger and no one could complain or protest that he was wronged. Where there are no rights, there are no wrongs! The rights of property, however, being done away with, man's greediness is *not* done away with, but remains and is the more excited as there are, in that supposition, no opposing claims of justice to check its excesses.

"Your Holiness intimates that the Divine Law gives its sanction to the private ownership of land, quoting from Deuteronomy, 'Thou shalt not covet, etc.' If, as your Holiness conveys, this inclusion of the words, 'nor his field,' is to be taken as sanctioning private property in land as it exists to-day,—[we suppose that Henry George does not mean to include in this phrase, which he uses repeatedly, the particular cases of fraud on the part of individual proprietors]—then, but with far greater force, must the words, 'his man-servant, nor his maid-servant,' be taken to sanction chattel slavery [mitigated slavery, viz., where it lawfully existed and as long as it was not abolished]; for it is evident from other provisions of the same code that these terms referred both to bondsmen for

a term of years or to perpetual slaves [mitigated slavery]. But the word 'field' involves the idea of use and improvement, to which the right of possession and ownership does attach without recognition of property in the land itself. And that this reference to the 'field' is not a sanction of private property in land as it exists to-day [!] is proved by the fact that the Mosaic code expressly denied such unqualified ownership in land, and with the declaration, 'the land also shall not be sold for ever, because it is mine, and you are strangers and sojourners with me,' provided for its reversion every fiftieth year; thus, in a way adapted to the primitive industrial conditions of the time, securing to all of the chosen people a foothold in the soil."

Here our Agrarian Socialist gives his Holiness, Pope Leo XIII., "the head of the largest body of Christians," a practical lecture on exegetics! And he is clever enough to find in the text of Moses just what he wants. The word "field," he says, involves the idea of use and improvement. But, our learned exegete forgets that the same word "field" involves before and above everything else the soil. Moreover, he forgets that the word "his" involves and designates individual

ownership and that, consequently, the combination "his field" designates nothing else than the much dreaded private ownership of the soil. In fact, only he who owns the *land* or *soil* can call the field "his;" one who has merely rented a farm, can not call it "his." In the Henry George theory, however, "the individual possessor of a particular piece or tract of land is in reality nothing more than a tenant of the State or the community." Hence the words of Deuteronomy "nor his field," denote not merely possession or usufruct in opposition to property in land, but real property or ownership in land, just as the words "nor his house," "nor his ox, nor his ass, nor anything else which is his," signify real property or ownership.

The declaration of the Mosaic law, "The land also shall not be sold for ever: because it is mine, and you are strangers and sojourners with me" (Levit. xxv, 23), means nothing but a prohibition of selling landed property. An Israelite could lease his land or sell the usufruct up to the next "year of the jubilee," but he could never sell the property in land itself. The land in each case belonged always, not to the whole of "the chosen people," but to the particular family to which it had been given at the first distri-

bution after the conquest of Palestine. Whatever land had been "sold," i. e. leased, had to be returned every fiftieth year. "And thou shalt sanctify the fiftieth year, and shalt proclaim remission to all the inhabitants of thy land; for it is the year of the jubilee. Every man shall return to his possession, and every one shall go back to his former family. . . . In the year of the jubilee all shall return to their possessions. . . . For in that year all that is sold shall return to the owner and to the ancient possessor." (Levit. xxv, 10, 13, 28.)

The landed property among the Israelites was not common but private, though by special provision of the law inalienable and transferable only by inheritance. "Command the children of Israel and say to them: When you shall have passed over the Jordan, entering into the land of Chanaan, destroy all the inhabitants of that land. . . . And you shall divide it among you by lot. . . . To every one as the lot shall fall, so shall the inheritance be given. The possession shall be divided by the tribes and the families" (Num. xxxiii, 51-54). Special regulations were enacted concerning marriage, "lest the possessions of the children of Israel be mingled from tribe to tribe . . . that the

inheritance may remain in the families, and that the tribes be not mingled one with another, but remain so as they were separated by the Lord" (Num. xxxvi, 7–10).

The Israelites were truly "the chosen people," the people of divine predilection, and God was in a particular sense their Lord and God. Of this He wished them to be always mindful; therefore He reminded them frequently that the land which they should possess was the land which was His own, which He had promised to their fathers, which He would give them, to each family, as it were, in particular, by a special disposition of His, viz., "by lot." A positive and explicit grant by God is certainly a lawful title of full and complete ownership. But we must remember that God grants His gifts differently than man. What God grants or gives to man, remains His as before, whilst what one man gives to another, does not remain his. God is and remains necessarily the Lord of all things, of the earth and all its treasures, as well as of man and all he has or acquires in any manner whatsoever. Nevertheless man really owns whatever he owns; but what he owns, is his own, not as against the Lord and Creator of all things, but "as against all the world."

In connection with the Mosaic code, it is to be noted that private property in land existed long before the Jewish lawgiver. The Israelites had met with it in Egypt, where it can be traced back several centuries before Abraham; later on they found it in Assyria and Babylonia, where it can likewise be shown to have existed from the earliest times. True, the Decalogue, as promulgated by Moses, had the force of a "positive divine law" for the Jews only, but they were bound to observe it towards all nations with whom they came in contact. Moreover, although the whole Mosaic code ceased with the introduction of the new law, the ten commandments, with the exception of some details evidently intended only for "the chosen people" as such, were renewed by Christ and form part of the new law, which is to last to the end of time. Accordingly, what Leo XIII. maintains is perfectly true, viz., private property in land "has been sanctioned by the authority of the divine law." The doctrine, therefore, declaring individual landownership to be morally wrong and unjust, is not only opposed to reason, but also to divine revelation.

After the passage quoted above from his *Open Letter,* Henry George continues as fol-

lows: "Nowhere in fact throughout the Scriptures can the slightest justification be found for the attaching to land of the same right of property that justly attaches to the things produced by labor. Everywhere is it treated as the free bounty of God, 'the land which the Lord thy God giveth thee.'"

The audacity of this assertion is amazing. The following texts need no comment. Our Lord said to St. Peter: "Every one that hath left house, or brethren, or sisters, or father, or mother, or wife, or children, or lands for my name's sake: shall receive an hundred-fold, and shall possess life everlasting." (Matth. xix, 29). In the Acts we read of the first Christians: "As many as were owners of lands or houses sold them, and brought the price of the things they sold, and laid it down before the feet of the Apostles. . . . And Joseph, . . . having land, sold it, and brought the price. . . . But a certain man named Ananias, with Saphira, his wife, sold a piece of land, and by fraud kept back part of the price of the land. . . . But Peter said: Ananias, why hath Satan tempted thy heart, that thou shouldst . . . by fraud keep part of the price of the land? Whilst it [the land] remained [unsold], did it not remain to thee? and after

it was sold, was it [the price] not in thy power [at thy free disposal]? Why hast thou conceived this thing in thy heart?" (Acts iv, 34–37; v, 1–4).

In these passages private property in land is represented and declared as lawful, though divesting one's self of it for God's sake is described as an act of superior virtue. Hence the contrary doctrine has always been considered heretical.

"6. That fathers should provide for their children and that private property in land is necessary to enable them to do so.

"With all that your Holiness has to say of the sacredness of the family relation we are in full accord. But how the obligation of the father to the child can justify private property in land we cannot see."

We have here a sad case of color-blindness. Henry George cannot see what the Pontiff has made so clear by his argument; on the other hand, he sees things in the papal text which are not there at all. To begin with the former, the Pope starts from the principle that the family, with its essential duties and rights, is an institution of nature, i. e., of God by the natural law. Rights flow from duties. Now what is the duty of a father? "It is a most sacred

natural law that a father must provide food and all the necessaries for those whom he has begotten." This is his strict duty. But his natural love for his offspring urges him to do more, to secure their welfare, so far as in him lies, also in the future. "And similarly nature dictates that a man's children, who carry on, as it were, and continue his own personality, should be provided by him with all that is needful to enable them honorably to keep themselves from want and misery in the uncertainties of this mortal life." This is the text of the translation which Mr. George used. The original of the Encyclical does not say: "nature dictates," but: "besides, nature herself *instills in him also the desire*—idemque (paterfamilias) illuc a natura ipsa *deducitur*, ut *velit* liberis suis . . . anquirere et parare, unde, etc.—to provide for the future of his children . . . so as to enable them, etc." "Now in no other way can a father effect this except by the ownership of profitable property, which he can transmit to his children by inheritance."

What a pity that Henry George cannot see the conclusiveness of this fine argument. How could fathers of families provide the necessaries of life if *none* could own even

the least portion of the large storehouse of nature, which alone, assisted indeed by man's constant care and toil, can afford for ever-recurring needs never-failing supplies? And what would become of their authority and dignity as the God-appointed rulers and chief managers of their households, if in the necessaries of life—all of which are ultimately drawn from "the earth with its abundance and fertility"—they would essentially depend on the universal landowner, the State, and the State's officials? As regards the further desire, so natural in a father, of providing for his offspring a secure and honorable existence in the future when he will have been taken from them, it must certainly be right and lawful to satisfy such a noble desire, and there must be means to fulfill it. But which are these means except "profitable property [in land] which one can transmit to his children by inheritance"? An economic condition of society, therefore, in which only a comparatively small number of fathers are, or can be, actual owners of landed property is far from being the normal condition intended for mankind by the natural law; but a social arrangement which precludes *all* heads of families from becoming landed proprietors

is directly "against natural justice and menaces the very existence of family life."

While alas! Henry George can not perceive the force in this argument of the Pope, he sees on the other hand, several things in it which no one else can find. He sees that the teaching of Leo XIII. is against the "Our Father"! He writes:

"We do, for a few years, need the providence of our fathers after the flesh. But how small, how transient, how narrow is this need, as compared with our constant need of the providence of Him in whom we live, move and have our being—Our Father who art in Heaven! It is to Him, 'the giver of every good and perfect gift' and not to our fathers after the flesh, that Christ taught us to pray, 'Give us this day our daily bread.' . . . What your Holiness is actually, though of course inadvertently, urging, is that earthly fathers should assume the functions of the Heavenly Father. It is not the business of one generation to provide the succeeding generation with 'all that is needful to enable them honorably to keep themselves from want and misery.' That is God's business. We no more create our children than we create our fathers." [!!]

He sees, besides, that the Pope, "of course inadvertently," urges *"the robbery of others."* "The profitable property your Holiness refers to, is private property in land. Now profitable land, as all economists will agree, is land superior to the land that the ordinary man can get. [!] It is land that will yield an income to the owner as owner, and therefore that will permit the owner to appropriate the products of labor without doing labor, its profitableness to the individual involving the robbery of other individuals. [!!] It is therefore possible only for some fathers to leave their children profitable land. What therefore your Holiness practically declares is, that it is the duty of all fathers to struggle to leave their children what only the few peculiarly strong, lucky or unscrupulous can leave; and that, a something that involves the robbery of others—their deprivation of the material gifts of God. This anti-Christian doctrine has been long in practice throughout the Christian world. What are its results? etc., etc." [!!]

Towards the end of his letter Mr. George even adds the charge of *practical atheism.* "What is the prayer of Christendom—the universal prayer . . . that is repeated

by the youngest child that the poorest Christian mother has taught to lisp a request to her Father in Heaven? It is 'Give us this day our daily bread!' Yet where this prayer goes up, daily and hourly, men lack bread. Is it not the business of religion to say why? If it cannot do so, shall not scoffers mock its ministers as Elias mocked the prophets of Baal. . . . What answer can those ministers give? . . . Here is the answer, the only true answer: If men lack bread it is not that God has not done His part in providing it. . . . It is, that impiously violating the benevolent intentions of their Creator, men have made land private property, and thus given into the exclusive ownership of the few the provision that a bountiful Father has made for all. Any other answer than that, no matter how it may be shrouded in the mere forms of religion, is practically an atheistical answer." [!!]

"*7. That the private ownership of land stimulates industry, increases wealth, and attaches men to the soil and to their country.*" This sentence refers to a passage in the second part of the Encyclical, where the Pope says: "We have seen that this great labor question can not be solved except by

assuming as a principle that private ownership [in land] must be held sacred and inviolate. The law, therefore, should favor ownership, and its policy should be to induce *as many of the people as possible to become owners.* Many excellent results will follow from this; and first of all, property will certainly become more equally divided. . . . Another consequence will be the greater abundance of the fruits of the earth. Men always work harder and more readily when they work on that which is their own; nay, they learn to love the very soil. . . . And a third advantage would arise from this; men would cling to the country in which they were born . . ."

Against the three points contained in the heading Henry George has nothing to say. But he thinks the advantages of the Single Tax system would be far greater, in particular the security of the products of labor and the permanence of landed possession. In another chapter we shall demonstrate the injustice of the single tax as a system of taxation. Suffice it to remind our Agrarian economist, that in his theory all holders of land are mere tenants of the State; they are, therefore, at the mercy of this universal landlord, who can change the tenants from

one place to another by a simple decree of the party in power, just as the holders of State offices are now changed from time to time.

"8. *That the right to possess private property in land is from nature, not from man; that the State has no right to abolish it, and that to take the value of landownership in taxation would be unjust and cruel to landowners.*"

This chapter is nothing but a repetition of former assertions plus a new encomium of the Single Tax. We might call it a summary of what has preceded. "That private property in the products of labor is from nature, is clear, for nature gives such things to labor and to labor alone. Of every article of this kind, we know that it came into being as nature's response to the exertion of an individual man or of individual men—given by nature directly and exclusively to him or to them. . . . But who will dare trace the individual ownership of land to any grant from the Maker of land? What does nature give to such ownership? How does she in any way recognize it? Will anyone show from difference of form or feature, of stature or complexion, from dissection of their bodies or analysis of their powers and needs, that

one man was intended by nature to own land and another to live on it as his tenant?" This is a naïve way of hiding one's ignorance.

Let us recapitulate the true origin of private property. The right of property is the right of having an exterior object completely and exclusively for one's own use, so as to be able to dispose of it fully and independently of others. It implies, therefore, a special connection between a particular object and an individual person or individual persons. Now by nature no such special connection exists, all things being *per se* and *a priori* ownerless. How, then, does actual ownership arise? It arises in each case from a concrete fact. In the case of objects which are as yet without an owner, this fact is *occupancy* or *occupation*. Occupancy is the taking hold of an ownerless object with the express intention of holding it as one's own. This intention is expressed by marking the object so as to distinguish it from others not appropriated. Such ways of "marking" are manifold, according to the nature of the objects, e. g., keeping something about one's person or in one's house; with regard to land, fencing it in, but especially physical changes by improvements or cultivation. All appropriation by occu-

pancy is by the very nature of this act limited and may be further restricted by positive laws. Transfers of property from one owner to another take place by donation, bequests, and various contracts. All these methods and transactions imply the activity of man and are dependent on various essential conditions and the just laws of civil authority. Hence we can say with Leo XIII. that, whilst by nature material goods are neither owned by mankind at large nor by individual men, "the actual distribution of private possessions," in immovables as well as movables, is effected "by men's industry and according to the laws of peoples." So much for the objections of Henry George against the arguments advanced in the Encyclical.

In his *Open Letter* Mr. George aims to disabuse the Pope of his "one false and fatal assumption," the justice of individual landownership. "If your Holiness will consider these things we are confident that instead of defending private property in land you will condemn it with anathema!" "In sending [this letter] to you personally and in advance of publication, I trust that it may be by you personally read and weighed. . . . I trust that the considerations herein

set forth may induce you [to question the views hitherto held by you], and even if the burdens and cares that beset you shall now make impossible the careful consideration that should precede expression by one in your responsible position [!], I trust that what I have written may not be without use to others." Finally, "Wishing for your Holiness the chiefest of all blessings, that you may know the truth and be freed by the truth, . . . and with the profound respect due to your personal character and to your exalted office, I am, Yours sincerely, HENRY GEORGE. New York, September 11, 1891."

Henry George believed that his letter made a deep impression on Leo XIII. and that it had attained its purpose. This we learn from a communication approvingly quoted by the *New York Freeman's Journal,* January 23, 1904. "In answering a correspondent of the New York *Sun,* in January, 1893, he [Mr. George] said: 'That the Encyclical on the Condition of Labor seemed to me to condemn the Single Tax theory is true. But it made it clear that the Pope did not rightly understand that theory. It was for this reason that in the open letter to which your correspondent refers, I asked permis-

sion to lay before the Pope the grounds of our belief and to show that 'our postulates are all stated or implied in your Encyclical,' and that 'they are the primary perceptions of human reason, the fundamental teachings of the Christian faith;' declaring that so far from avoiding, 'we earnestly seek the judgment of religion, the tribunal of which your Holiness, as the head of the largest body of Christians, is the most august representative.' The answer has come. In the reïnstatement of Dr. McGlynn, on a correct presentation of Single Tax doctrines, the highest authority of the Catholic Church [!!] has declared in the most emphatic manner that there is nothing in them inconsistent with Catholic faith."

Dr. Edward McGlynn's case will be considered separately in the light of documentary evidence. Had Mr. George's *Open Letter,* with its flimsy objections and numerous absurdities, brought about a change in the Pope's mind and made him renounce the teaching of his magnificent Encyclical "Rerum Novarum," verily this "conversion" of Leo XIII. to the Single Tax theory would have been one of the most sensational events in the history of the papacy.

VI.

THE "SINGLE TAX," OR THE "NATURAL" SYSTEM OF TAXATION

The Henry George theory of landownership has its practical application in the so-called "Single Tax." The former is the necessary scientific basis of the latter. Single Tax men take a particular pride not only in having simplified, or rather supplanted, the complicated and expensive methods of taxation hitherto in vogue, but especially also in having discovered the only method that is based on nature and that therefore may rightly be called "natural taxation" or the "natural tax." However, since the scientific basis of this much vaunted "natural tax" has been shown, in a previous chapter, to be philosophically false, the "natural tax" itself can not but be a mere phantom of the imagination, like the theory from which it springs.

The following extracts from Mr. George's *Open Letter to Pope Leo XIII.* will give the

reader the gist of his luminous and eloquent exposition of the subject:

"We propose, leaving land in the private possession [without ownership] of individuals, with full liberty on their part to give, sell or bequeath it, simply to levy on it for public uses a tax that shall equal the annual value of the land itself, irrespective of the use made of it or the improvements made upon it. And since this would provide amply for the need of public revenues, we would accompany this tax on land values with the repeal of all taxes now levied on the products and processes of industry—which taxes, since they take from the earnings of labor, we hold to be infringements of the right of property." . . .

"No sooner does the State arise than, as we all know, it needs revenues. . . . With the growth of population and advance of civilization the functions of the State increase and larger and larger revenues are needed. Now, He that made the world and placed man in it, He that preordained civilization as the means whereby man might rise to higher powers and become more and more conscious of the works of his Creator, must have foreseen the increasing need for State revenues and have made provision for it.

That is to say: the increasing need for public revenues with social advance, being a natural, God-ordained need, there must be a right way of raising them—some way that we can truly say is the way intended by God. It is clear that this right way of raising public revenues must accord with the moral law.

"Hence: It must not take from individuals what rightfully belongs to individuals"—in other words: a rightful tax can not be one which is to be paid from the individual's rightful property or from his own pocket! Why not? Because "God can not contradict Himself nor impose on His creatures laws that clash. If it be [therefore] God's command to men that they should not steal—that is to say, that they should respect the right of property which each one has in the fruits of his labor;" God can not have ordained that men should be deprived of part of their earnings or of their money in order to enable the State to carry on its various functions. But that is the case in "all taxes now levied on the products and processes of industry." Therefore we hear Henry George declare that he holds all those taxes, "since they take from the earnings of

labor,'' to be unjust, ''to be infringements of the right of property!''

This is a precious bit of modern economics! When the Single Tax system will once have been established, you will have to pay taxes, but not from your own money. And on the same principle that ''God can not contradict Himself,'' you will have to pay your physician in case of sickness, but never from your own pocket. Also your tailor, your baker, your grocer, etc., must not expect to be paid from your own money, since this would be an ''infringement of the right of property.'' In the new era every one will always and everywhere ''respect the right of property which each one has in the fruits of his labor''!

Henry George continues: ''To consider what we propose—the raising of public revenues by a single tax on the value of land irrespective of improvements—is to see that in all respects this does conform to the moral law. Let me ask your Holiness to keep in mind that the value we propose to tax, the value of land irrespective of improvements, does not come from any exertion of labor or investment of capital on or in it—the values produced in this way being values of im-

provements which we would exempt. The value of land irrespective of improvement is the value that attaches to land by reason of increasing population or social progress. This is a value that always goes to the owner as owner, and never does and never can go to the user; for if the user be a different person from the owner he must always pay the owner for it in rent or in purchase money; while if the user be also the owner, it is as owner, not as user, that he receives it, and by selling [?] or renting the land he can, as owner, continue to receive it after he ceases to be a user.

"Thus, taxes on land irrespective of improvement can not lessen the reward of industry, nor add to prices, nor in any way take from the individual what belongs to the individual. [That would be downright robbery!] They can only take the value that attaches to land by the growth of the community, and which therefore belongs to the community as a whole.

"To take land values for the State, abolishing all taxes on the products of labor, would therefore leave to the laborer the full produce of labor, to the individual all that rightfully belongs to the individual."

This passage contains the whole justifi-

cation Henry George can give and does give for the Single Tax. The land value is justly collected as a tax from every "possessor and user" of land for two reasons: (1.) because the land value always goes to the owner as such; now the State or the community as such, not the individual, is the real owner of the land; hence the land value must go to the community or State; (2.) the land value does not come from labor or from investment of capital, but arises merely from the growth of the community and from social progress; hence it belongs by right to the community or State. With these two reasons the Single Tax stands or falls. Here we have the crucial test.

The importance of this point, we think, will justify our adding to the quotations already given the following passages from *Progress and Poverty.*

In Book VII., ch. III. (p. 262), Henry George, having cited these sentences from John Stuart Mill: "The land of Ireland, the land of every country, belongs to the people of that country. The individuals called landowners have no right in morality and justice to anything but the rent, or compensation for its salable value"—exclaims indignantly: "In the name of the Prophet—figs! If the

land of any country belong to the people of that country, what right, in morality and justice, have the individuals called landowners to the rent? If the land belong to the people, why in the name of morality and justice should the people pay its salable value for their own?"

Equally emphatic is his answer to the author of the "synthetic philosophy."—"Herbert Spencer says: 'Had we to deal with the parties who originally robbed the human race of its heritage, we might make short work of the matter.' Why not make short work of the matter anyhow? For this robbery is not like the robbery of a horse or of a sum of money, that ceases with the act. It is a fresh and continuous robbery, that goes on every day and every hour. . . . It is not merely a robbery in the past; it is a robbery in the present—a robbery that deprives of their birth-right the infants that are now coming into the world! Why should we hesitate about making short work of such a system? . . . If the land belong to the people, why continue to permit landowners to take the rent, or compensate them in any manner for the loss of rent? Consider what rent is. It does not arise spontaneously from land; it is due to nothing that the land-

owners have done. It represents a value created by the whole community. Let the landholders have, if you please, all that the possession of the land would give them in the absence of the rest of the community. But rent, the creation of the whole community, necessarily belongs to the whole community."

Let us now consider the two reasons advanced by Mr. George with such eloquence and fervor.

First, he argues: If the land of a country belongs to the people, the community of that country, then the land value necessarily must go to the community of that country; this value always goes to the owner as such. Very good. But this "if" is not verified. To maintain, as Mr. George does, that the land of a country belongs to the people of that country as a whole, and not to the individuals who have by some title or other acquired parts of it, is false.

As to the second reason: the land value is not the product of the individual's labor or investment of capital—we readily grant the statement; but permit us to ask: Is it the product of the community's labor or investment of capital? Evidently it is not; it arises, as our economist himself says, from

the growth of the community and from social progress.

The land value of which there is question here, is not an inherent physical quality of the land, which makes it better or more fertile and consequently more desirable or more valuable. Hence it is not and need not be produced by the forces of nature nor by any kind of labor. The object being given, its increasing or decreasing value is consequent upon certain extrinsic circumstances, in somewhat the same way as a good, substantial meal has a greater "value" for a hungry man than for one having little or no appetite. The meal has a producer, but not its value as such; the latter supposes merely an empty stomach.

The actual value (exchange value) of an object is nothing else than its fitness or capacity of being exchanged for other useful objects. This springs directly from the general estimation of men based on the usefulness of the object to satisfy some want or desire, and on the greater or lesser difficulty of obtaining it.[1]) Suppose a community in a certain stage of civilization, and you have

[1] Cf. A. Vermeersch, S.J., *Quaestiones de Justitia.* 1901. N. 336. "Vera ratio valoris."

ipso facto certain needs and desires in that community which are to be satisfied. Now suppose, besides, various goods capable of satisfying those wants and desires, and also certain facilities of communication and of intercourse which make the exchange of different objects in that community feasible; then, without any further exertion, labor or production, the various useful objects, whether merchandise or real estate, will, by common estimation, possess a certain exchange value; and this value will for the selfsame unchanged object vary, decrease or increase according as the extrinsic circumstances vary. To whom, then, does the exchange value of such an object belong? Evidently to nobody else but the owner of that object. Being really and truly the owner of the object, of the entire object, he owns it with all that is in it, whether actually or potentially; he owns it with all its usefulness to satisfy the needs and desires of the owner himself, i. e., with its "use value"; he owns it with all its capacity of obtaining by exchange some other good, i. e., with its "exchange value." The exchange value no less than the use value belongs in justice to the owner of the object;

he enjoys all the advantage in case of an increase, as he has to bear all the ensuing disadvantage in case of a decrease.

This common sense answer does not fit into the arbitrary systems of "modern economists," but it is sound philosophy for all that. It is but an application of the saying, "Res fructificat domino," which is a maxim of natural as well as of positive jurisprudence. He who denies the owner of an object its exchange value, denies his right of ownership. For what does it mean to say: "This object, e. g., this bicycle, belongs to me." It means, according to all men, that he who can truly say so, has the full, free, and exclusive right of disposing of it, and that he can, independently of all others, enjoy the advantages that result for him from such disposal or use. He may ride on his bicycle for the sake of exercise; he may shut it up in a store-room; he may give it away as a present; he may also, if he chooses, exchange it for some other useful object. If he makes such an exchange, that which he thus acquires becomes as truly and completely his, as was the object with which he parted. To deprive him, therefore, of the whole or of a part of the object acquired, would manifestly be an infringement of the right of

property, and to deny him the right to the whole benefit of the exchange, would in reality be to deny or destroy his right of ownership.

Hence it is that mankind's natural sense of justice applies this principle constantly to every species of property. Take a horse dealer who owns two hundred fine horses. Suppose from some cause or other the price of these animals rises; then his gain, which all acknowledge to be truly his, will perhaps be twice as large as it would have been under ordinary circumstances. The owner of a dairy farm will with the same amount of work make greater or smaller gains according as the price of milk, butter, and cheese rises or falls. The exchange value is an economical growth, "increment" or fruit of the object; it belongs, therefore, to the owner of the object no less than the natural fruit of a tree belongs to the owner of the tree. The ownership of an object and the ownership of its fruit are inseparably connected. In order to be logically justified in denying the right to the land value, one must necessarily deny the ownership of the land; and in order justly to claim the land value for the community, he must necessarily declare the community to be the universal landlord.

This Henry George understood and he was sincere enough to state it publicly. Hence his bold declaration in *Progress and Poverty:*

"If private property in land be just, then is the remedy I propose a false one; if, on the contrary, private property in land be unjust, then is this remedy the true one."

But Henry George not only maintains that "confiscating rent" is in accordance with the moral law; he goes still farther. He holds it to be the God-intended way of raising the necessary revenues of the State, and sees, moreover, in the natural provision of this never-failing source of public revenue an admirable proof of the divine wisdom and goodness on behalf of mankind. Let us listen, for a few moments, to his enthusiastic expatiations in the *Open Letter to Pope Leo XIII.:*

"But, further: that God has intended the State to obtain the revenues it needs by the taxation of land values is shown by the same order and degree of evidence that shows that God has intended the milk of the mother for the nourishment of the babe. [!!]. See how close is the analogy. . . . See how with the growth of such [large] cities the one thing that steadily increases in value is land; how the opening of roads, the building of railways, the making of any public improve-

ment, adds to the value of land. Is it not clear that here is a natural law—that is to say a tendency willed by the Creator? Can it mean anything else than that He who ordained the State with its needs has in the values which attach to land provided the means to meet those needs? . . .

"The Right Reverend Dr. Thomas Nulty, Bishop of Meath, who sees all this as clearly as we do, in pointing out to the clergy and laity of his diocese [April 2nd, 1881] the design of Divine Providence that the rent of land should be taken for the community, says: 'I think, therefore, that I may fairly infer, on the strength of authority as well as of reason, that the people are and always must be the real owners of the land of their country. [The philosophically false and theologically heretical doctrine of common (national) land ownership!] This great social fact appears to me to be of incalculable importance. . . . There is, moreover, a charm and a peculiar beauty in the clearness with which it reveals the wisdom and benevolence of the designs of Providence in the admirable provision He has made for the wants and the necessities of that state of social existence of which He is author. . . . A vast public property, a great national fund,

has been placed under the dominion and at the disposal of the nation to supply itself abundantly with resources necessary to liquidate the expenses of its government, the administration of its laws, and the education of its youth, and to enable it to provide for the suitable sustentation and support of its criminal and pauper population.' . . .

"There is, indeed, as Bishop Nulty says, a peculiar beauty in the clearness with which the wisdom and benevolence of Providence are revealed in this great social fact, the provision made for the common needs of society in what economists call the law of rent. Of all the evidences that natural religion gives, it is this that most clearly shows the existence of a beneficent God and most conclusively silences the doubts that in our days lead so many to materialism."

These enthusiastic sentiments of Bishop Nulty and Henry George, alas! are like the emotions called forth by the reading of a thrilling novel. They are based on fiction, not on truth and reality. There is no such "vast public property," no such "great national fund"! And there can be none! For, as Leo XIII. in harmony with ancient and modern philosophy has so clearly demonstrated in his grand Encyclical which Henry

George tried to refute by bold assertions and rhetorical phrases, the welfare of the individual, of the family, and of human society at large demands that temporal goods, land as well as movables, should be divided and owned severally. Hence God did not give the earth to the whole of mankind as their common property or the land of a country to the nation of that country as a whole, but He wished the earth to be divided, "leaving the actual distribution of private possessions to men's industry and to the law of peoples." Such is human nature and such, therefore, are the designs of God's wisdom and benevolence.

The beauty which Bishop Nulty and Henry George admire in the design of "taking the rent of land for the community," or of "raising the public revenues by a single tax on the value of land irrespective of improvements," is no beauty at all, but an insult to justice. For what does the Single Tax practically mean? It means neither more nor less than this: all taxes are to be paid by those who own land; all others, even if they possess millions, go scot free. The injustice of such a system of taxation is so glaring that one must be blinded by prejudice or lack every notion of equity not to see it. Moreover,

that the laying of all taxes on landowners would inevitably ruin agriculture and thus jeopardize the prosperity of nations, is so obvious an inference that the arbitrary and oft-repeated assertions of Henry George to the contrary can not in the least dim its evidence.

VII.

DR. EDWARD McGLYNN AND HENRY GEORGE

Henry George had no greater admirer nor stauncher follower than Rev. Dr. Edward McGlynn. At the funeral ceremonies which were held for Mr. George in Grand Central Palace, New York, October 30th, 1897, Dr. McGlynn made the following remarks:

"We stand upon ground that is made sacred by what remains of a man who was raised up by a peculiar providence of a Father in Heaven to deliver to men a message of truth, of righteousness, of justice, and of peace on earth. . . . This man was not merely a philosopher and a sage, but he was a seer, a prophet, a forerunner and preacher sent by God. . . . Why is this vast crowd here to-day and a vaster crowd seeking admission outside to honor the memory of Henry George? Why is it that vast multitudes have passed this coffin to-day? It is because there was a man sent of God, and his name was Henry George. And

when God has sent such a messenger with such a message, the hearts of mankind are stirred to the depths. . . . That book [*Progress and Poverty*] is the work of a sage, of a seer, of a philosopher, of a poet. It is not merely political economy, it is not merely political philosophy, but it is a poem, a prophecy, a prayer."

In a communication prepared for the press Dr. McGlynn said of his deceased friend: "I believe that those gifts of his marked him out singularly as a man raised up by the providence of God to revise and to perfect the teachings of the fundamental political and economic verities that are absolutely essential to the preservation of the Republic and the healing of nations. I learned long since that Mr. George's was essentially a religious spirit. . . . He believed, and I believed with him, that the carrying out of his magnificent political philosophy and economy would make practical the preamble of the Declaration of Independence and bring about justice and equality in this world and a better commonwealth and a truer Republic. . . . It was for these reasons that I gave heart and hand to Henry George in his work and that I took active part in his first wonderful mayoralty campaign [1886] and as

far as I could with propriety helped in the present one [1897]. I have made no secret of my sympathy, and I would have all those whom I could influence anywhere to know that the doctrines of Mr. George are in the fullest consonance with the teachings of the true religion, with the essentials of that religion of the brotherhood of man under the fatherhood of God."

It is not our intention to asperse the personal character of Mr. George or to question the sincerity of his purpose to better the condition of his fellow-men. We are dealing exclusively with his economic system and teaching as contained in his published works. After having carefully examined his system in all its details and compared it with the principles of sound philosophy, and particularly with the explicit and unmistakable teaching of the Encyclical "Rerum Novarum," we are forced to characterize Henry George thus: If he was a poet, he was a poet of mere fiction; if he was a prophet, he was a false prophet; if he delivered to men a message, it was not one of truth and justice. His entire economic system is one huge error, conflicting alike with human reason, with ecclesiastical teaching, and with divine revelation. It is Agrarian Socialism, but Socialism

in its proper meaning, undermining the very foundation of a well-ordered human existence and utterly destructive of the social order.

The same verdict applies, of course, to Dr. McGlynn's teaching, which, according to his words quoted above, is none other than that of Henry George. About this there can not be the least doubt. There exists a clear and explicit statement of his economic views, written by the Doctor himself, and, we are told, "approved by Henry George, in a letter to the New York *Sun,* as a correct exposition of his land theory." Undoubtedly, "Henry George was the best judge of a correct statement of his own principles."

We might, therefore, dismiss said statement as containing nothing that we have not already met with and rejected in Mr. George's writings. But certain events connected with that document have caused in some minds such a confusion concerning the main issue, that there seems to be no hope of removing it until we understand clearly, on the merits of the statement itself, whether or not it is to be judged orthodox. About this, as about all other points, we would have the reader judge for himself. We shall submit to him the text of the statement without any omissions, interspersing only such re-

marks as will point out or summarize the real meaning of the Doctor or show the opposition of his tenets to the teachings of Leo XIII. The entire document fills one and a half column in the *New York Freeman's Journal* of February 6th, 1904. It will be sufficient for our purpose to quote the first half. It runs thus:

"All men are endowed by the law of nature with the right to life and to the pursuit of happiness, and therefore with the right to exert their energies upon those natural bounties without which labor or life is impossible."

The "natural bounties" here spoken of, as we shall learn presently, are "the earth." The term is a favorite expression of Henry George and may almost be considered one of his technical terms. The second half of the sentence quoted is vague and obscure for the "uninitiated" reader; the initiated will find in it the embryo from which the whole theory of common landownership is easily evolved. In the same manner Henry George succeeded in smuggling his theory into the fifth and sixth of the "postulates" with which he begins his *Open Letter* to Pope Leo XIII.

"God has granted those natural bounties,

that is to say, the earth, to mankind in general, so that no part of it has been assigned to any one in particular, and so that the limits of private possession have been left to be fixed by man's own industry and the laws of individual peoples."

Leo XIII. writes: "Deus (enim) generi hominum donavisse terram in commune dicitur, . . . quia partem nullam cuique assignavit possidendam, industriae hominum institutisque populorum permissâ privatarum possessionum descriptione."

These two quotations resemble each other strikingly. Is the almost absolute identity of the two statements a mere chance? The wording is the same and yet, what Dr. McGlynn asserts in his declaration is diametrically opposed to what Leo XIII. teaches in his Encyclical. The following will make this clear.

"God has granted the earth to mankind in general," says the Doctor. Here he affirms the common ownership of the earth by mankind at large. This common ownership he designates a little farther on as the "common right to natural bounties" or the "dominion over the natural bounties," and adds that "the maintenance of this dominion over the natural bounties is a primary function and duty of the organized community."

The Doctor mentions also "the limits of private possession" (of portions of the land). What does he mean by this "private possession"? He means "possession" in the Georgian sense, as distinct from and exclusive of ownership, or property, i. e., mere tenantcy. This is evident from the paragraphs immediately following, where he carefully distinguishes between "private property and dominion in the fruits of industry or in what is produced by labor out of those natural bounties," on the one hand, and "the use and undisturbed, permanent, exclusive private possession of portions of the natural bounties," on the other. "Such exclusive possession," we are told, "is necessary to the ownership, use, and enjoyment by the individual of the fruits and products of his industry."

Hence, according to Dr. McGlynn, there exist two kinds of private or individual right, viz., the right of "possession," as distinct from ownership, dominion or property, of portions of the land, and the right of "ownership," (dominion or property) in the fruits and products of one's industry. Over and above these two individual or private rights we have the common right of ownership (dominion) in the land itself, vested in the community as such. We need hardly

mention that with regard to one and the same object common and private ownership exclude each other. Hence the assertion of common landownership implies the negation of private landownership, just as the affirmation of private property in the fruits of industry involves the negation of common ownership in the same. Accordingly, Dr. McGlynn's theory of ownership is embodied in these three assertions: (1.) the ownership in land is common, not private; (2.) there is, however, private possession, without ownership, of land; (3.) there is private ownership in the products of labor.

After these explanations the reader will find no difficulty in grasping the precise and entire meaning of Dr. McGlynn's statement. We repeat the second sentence already quoted:

"God has granted those natural bounties, that is to say, the earth, to mankind in general, so that no part of it has been assigned to any one in particular, and so that the limits of private possession have been left to be fixed by man's own industry and the laws of individual peoples.

"But it is a necessary part of the liberty and dignity of man that man should own himself—always, of course, with perfect subju-

gation to the moral law. Therefore, beside the common right to natural bounties, there must be by the law of nature private property and dominion in the fruits of industry or in what is produced by labor out of those natural bounties to which the individual may have legitimate access, that is, so far as he does not infringe the equal right of others or the common rights.

"It is a chief function of civil government to maintain equally sacred these two natural rights.

"It is lawful and it is for the best interest of the individual and of the community, and necessary for civilization that there should be a division as to the use and an undisturbed, permanent, exclusive private possession of portions of the natural bounties, or of the land; in fact, such exclusive possession is necessary to the ownership, use, and enjoyment by the individual of the fruits and products of his industry.

"But the organized community, through civil government, must always maintain the dominion over those natural bounties, as distinct from the products of private industry and from that private possession of the land which is necessary for their enjoyment. The maintenance of this dominion over the nat-

ural bounties is a primary function and duty of the organized community, in order to maintain the equal right of all men to labor for their living and for the pursuit of happiness, and therefore their equal right of access directly or indirectly to natural bounties.''

Let us pause for a moment. Dr. McGlynn never tires of repeating the three natural rights which constitute his and Mr. George's theory of ownership, viz., common ownership in land, private possession, as distinct from ownership, of land, and private ownership in the fruits of labor.

Leo XIII. rejects common landownership and affirms private ownership in land no less than ownership in the fruits of labor. It is his express purpose in the first part of the ''Rerum Novarum'' to maintain and defend the existence of private ownership, especially in land, by natural right. He always speaks of the same thing, real property, true ownership, which he designates in most varied and sometimes striking terms, such as ''rerum dominium vel moventium vel solidarum''—''possidere res privatim ut suas''—''bona stabili perpetuoque jure possidenda''—''terrae dominatus''—''jus dominii personis singularibus naturâ tributum.''

As regards the Latin ''possessiones'' in

particular, it is to be noted that throughout the Encyclical and in Latin authors generally this term means real property, especially landed property or real estate. It is entirely different from the term "possession," as used by Henry George and Dr. McGlynn, in direct opposition to real property or ownership. Hence, if Dr. McGlynn, on the one hand, admits "private possession of the land" and speaks of "the limits of [such] private possession left to be fixed by man's own industry and the laws of individual peoples"; and if Leo XIII., on the other, defends the lawfulness of "private (landed) possessions" and speaks of "the actual distribution of [such] private possessions left to men's own industry and to the laws of peoples," the meaning of the Doctor, as we said above, is diametrically opposed to that of the Pope. By that phrase Dr. McGlynn denies private ownership in land. By the same phrase Leo XIII. affirms it. He only repeats what he had more than once stated before in most explicit terms, such as these: "Consequitur, ut in homine esse non modo terrenorum fructuum, sed ipsius terrae dominatum oporteat.—Hence it must be possible for man to acquire as property not only the fruits of the earth, but the very soil itself."

Moreover, Dr. McGlynn maintains that God granted the earth as common property to mankind at large, and adds that "the maintenance of this dominion over the natural bounties, as distinct from the products of private industry and from the (necessary) private possession of the land, is a primary function and duty of the organized community." Leo XIII. rejects common landownership. This follows, first, from the fact that he teaches the justice and necessity of private landownership, the latter being incompatible with common landownership. Besides, he declares it directly by a clause which Dr. McGlynn omitted in his reproduction of the papal text.

These are the words of the Pope (italics ours): "Quod vero terram Deus universo generi hominum utendam, fruendam dederit, id quidem non potest ullo pacto privatis possessionibus obesse. Deus enim generi hominum donavisse terram in commune dicitur, *non quod ejus promiscuum apud omnes dominatum voluerit,* sed quia partem nullam cuique assignavit possidendam, industriae hominum institutisque populorum permissâ privatarum possessionum descriptione."

This is the literal rendering of the text:

"The fact, furthermore, that God has given the earth for the use and enjoyment of the whole human race, does not in the least prevent the lawfulness of private possessions. For if it is said that God gave the earth to mankind in common, *this is not to be understood as if He wished the common ownership of the earth vested in all men,* but because He did not assign to any one the possession of any particular portion of the earth, leaving the actual distribution of private possessions to men's industry and to the laws of peoples." (Italics ours.)

This is Dr. McGlynn's "version" of the second sentence of the passage: "God has granted those natural bounties, that is to say, the earth, to mankind in general, so that no part of it has been assigned to any one in particular, and so that the limits of private possession have been left to be fixed by man's own industry and the laws of individual peoples."

Here the essential and decisive clause of the Latin text, marked by us with italics, is altogether omitted; besides, the combined adversative and causal conjunctions *"sed quia"* are replaced by a simple consecutive "so that"; moreover, the Latin ablative absolute, which here is equivalent to an absolute

sentence, is likewise changed into a simple consecutive clause and added to the preceding one, "and so that"; finally, the term "*privatarum possessionum,*" which in the Encyclical means private property in land, is rendered by "private possession" in the Georgian sense, excluding the right of property or ownership. By these subterfuges Dr. McGlynn succeeded in manipulating what remained of the Pope's weighty utterance so as to make it convey a meaning directly opposed to that which it has in the Encyclical. The Pope denies "the common ownership of the earth vested in all men"; Dr. McGlynn affirms such common ownership and dominion of the earth. The Pope affirms real private property in land to be in harmony with the general destination of the earth for the benefit of the entire human race; Dr. McGlynn allows the individual nothing but the mere holding and use of land, without "private property and dominion," which he restricts to "the fruits of industry or what is produced by labor out of those natural bounties to which the individual may have legitimate access."

So far we have examined the first part of Dr. McGlynn's statement, in which he briefly expounds his theory of ownership. It is the

Henry George doctrine: the denial of private and the assertion of common ownership in land. We now come to the second part of his statement. It contains the application of this theory of ownership, and treats of the land rent and the Single Tax. Here, too, the Doctor only repeats the ideas and tenets of Mr. George; some passages are taken almost verbatim from the *Open Letter to Leo XIII.* Bearing in mind what we have said in our chapter on the Single Tax considered as a system of taxation, the reader will find it easy to follow Dr. McGlynn's exposition and to perceive the falsity of the whole system.

"The assertion of this dominion [common landownership] by civil government is especially necessary because, with the very beginning of civil government and with the growth of civilization, there comes to the natural bounties, or the land, a peculiar and an increasing value distinct from and irrespective of the products of private industry existing therein. This value is not produced by the industry of the private possessor or proprietor [i. e., the so-called 'proprietor,' for the 'possessor' of land, according to the system, is but a tenant of the State or community], but is produced by the existence of

the community and grows with the growth and civilization of the community. It is, therefore, called the unearned increment. It is this unearned increment that in cities gives to land without any improvements so great a value. This value represents and measures the advantages and opportunities produced by the community; and men, when not permitted to acquire the absolute dominion [i. e., ownership, as commonly understood] over such lands, will willingly [?] pay the value of this unearned increment in the form of rents; just as men, when not permitted to own other men [!], will willingly pay wages for desired services.

"No sooner does the organized community, or State, arise than it needs revenues. This need for revenues is small at first while population is sparse, industry rude, and the functions of the State few and simple; but with growth of population and advance of civilization the functions of the State increase, and larger revenues are needed. God is the author of society, and has pre-ordained civilization.

"The increasing need for public revenues with social advance, being a natural God-ordained need, there must be a right way of raising them—some way that we can truly

say is the way intended by God. It is clear that this right way of raising public revenues must accord with the moral law or the law of justice. It must not conflict with individual rights, it must find its means in common rights and common duties. By a beautiful providence, that may be truly called divine, since it is founded upon the nature of things and the nature of man of which God is the creator, a fund constantly increasing with the capacities and needs of society, is produced by the very growth of society itself, namely, the rental value of the natural bounties of which society retains dominion. The justice and the duty of appropriating this fund to public uses is apparent in that it takes nothing from the private property of individuals except what they will pay willingly as an equivalent for a value produced by the community and which they are permitted to enjoy. The fund thus created is clearly by the law of justice a public fund, not merely because the value is a growth that comes to the natural bounties which God gave to the community in the beginning, but also, and much more, because it is a value produced by the community itself, so that this rental value belongs to the community by that best of titles, namely, producing, making or creating.

"To permit any portion of this public property to go into private pockets, without a perfect equivalent being paid into the public treasury, would be an injustice to the community. Therefore the whole rental fund should be appropriated to common or public uses."

This exposition of Dr. McGlynn sounds quite plausible. Nevertheless, besides some elementary truths, it contains grave errors. It is true that God is the author of society and that civilization is willed by Him. It is true that the State needs revenues to carry on its functions, and that there must be some way of raising these revenues in harmony with the moral order. It is also true that in society, or a civilized community, land has a value which it otherwise would not have.

But it is a grave error to maintain that the revenues necessary for the proper government of a community must not be paid by the members of that community out of their own pockets; or, rather, it is an absurdity to represent this mode of raising revenues as "conflicting with individual rights" and as an "infringement of the right of property." For what purpose has man received from the Creator the right of acquiring private property and for what purpose can and does he

own what he has lawfully acquired? The immediate purpose is to have wherewith he may satisfy his personal wants and those of his family, as well as fulfill his various duties of justice or charity towards the community to which he belongs. When Dr. McGlynn was pastor at St. Stephen's, New York, the collection plate was on certain occasions passed round in the church. Now wherefrom did the pastor expect his parishioners to draw the contributions he hoped they would drop into the plate, if not from their own private resources? When they put their dollars into the plate, they made precisely that use of them for which they had got them from the Almighty.

It is, moreover, an error to maintain that the "peculiar and increasing value" which the land has in a community, belongs to the State or community, and it is an illusion to speak of a common, constantly increasing fund which "a beautiful providence" has provided for the raising of the necessary public revenues.

What is the value of land in a community irrespective of improvements? It is "a growth," answers Dr. McGlynn, "that comes to the natural bounties," i. e., to the land. "The value of land," Henry George says, "is

the value that attaches to land by reason of increasing population and social progress. This is a value that always goes to the owner as owner.'' Hence it belongs not to the State, but to the individual who is the owner of the respective land. The ''dominion of the natural bounties, i. e., the earth,'' was never given by God to mankind at large nor the ownership of a particular country to the inhabitants of that country as a body.

What is the land value? It is ''a product, a creation of the community,'' answers Dr. McGlynn with Mr. George, and therefore it belongs to the community by the best of all titles. This argument is a miserable sophism, mere quibbling upon the words ''production'' and ''community'' and, moreover, considers only one kind of wealth to the exclusion of all other kinds, to which it might be applied as well.

The land value or exchange value of land arises indeed ''by reason of increasing population and social progress.'' It ''represents and measures the advantages and opportunities'' which exist in the community. In primitive conditions, Henry George informs us, when the population of a country is sparse and much land unoccupied, no value attaches to land itself.

As population increases and industry becomes more varied and elaborate, value begins to attach to land and rises higher and higher, especially where population centers as in large cities. "Consider the enormous value of land in such cities as compared with the value of land in sparsely settled parts of the same countries. To what is this due? Is it not due to the density and activity of the populations of those cities—to the very causes that require great public expenditure for streets, drains, public buildings, and all the many things needed for the health, convenience and safety of such great cities? See how with the growth of such cities the one thing that steadily increases in value is land; how the opening of roads, the building of railways, the making of any public improvement, adds to the value of land." (*Open Letter.*)

The author of the *Open Letter* and his follower, Dr. McGlynn, seem to imagine that every action that is done, and every work that is accomplished *in* a certain community or State is also an action and a work *of* that community or State. Has the State of New York built all the villages, towns, and cities within its borders, with all their houses, their roads, their railways, all their improvements

and conveniences, in a word with all those numberless factors which in one way or other have contributed to the rising of the land value in the various parts of the State of New York? Some buildings, some works, some means of material prosperity, etc., are due to public or State activity or to public funds; but by far the greatest share in "creating" the land values both in city and country within the limits of the State is undoubtedly to be assigned to private activity and to private enterprise of individuals or private corporations. Generally speaking we may safely maintain that only a very small proportion of the land value in a country is the "product" of the respective community or State.

The argument quibbles upon the term "producing, making, creating." Making or producing, in the proper sense, when applied to material objects or things, means bringing them into existence by causing in a given material—for man can make naught out of nothing—a physical change to arise, in consequence of which the object now is what it was not before, say a chair, a statue, cultivated soil, roast beef. Such, and only such, "producing" or "labor" is acknowledged by all to be a legitimate title to the direct and proximate result, i. e.,

the "product of one's labor," provided one works on material that belongs to him; if one exerts his physical powers on material not his own, he can only claim a fair compensation for the labor expended. In both cases the "particular product of labor," with its entire usefulness or "use value," belongs to the owner of the material. Should the owner grant or let the use of his property to some one else, he has the right to demand compensation for such use. But in this case, if the use of the object should afford to the user an opportunity of making some gain, e. g., by trading, this gain, whether great or small, would belong entirely to the user. Now this is precisely the manner in which roads, ships, railways, and all other advantageous arrangements or conditions, private as well as public, in a country or in several countries adjoining one another, coöperate towards increasing the exchange value of land in the various parts of the respective country; viz., by affording *opportunities* for gain or comforts. The physical improvements and works themselves are the products of labor, but not their *usefulness* as such, much less the land values which are but a *further consequence* of such improvements. Hence the "rental value" of the land does not be-

long to the community or State "by that best of titles, namely, producing, making or creating."

From the foregoing explanation the reader will easily understand that the argument of Henry George and Dr. McGlynn, if it proved anything with regard to landed property, would likewise hold as to all other kinds of property. The value of all material goods which are exchangeable, is affected, in one way or other, by those material conditions and features which distinguish a civilized and progressive country. Not only landowners, but also common laborers, business and professional men, in short, all classes of people are benefited by the various means of communication and social improvement. Hence their gains would likewise, at least in part, belong to the State. The argument evidently proves too much and consequently proves nothing.

To conclude, therefore, the State or the community can not claim the land rent by any just title whatsoever; it being neither the owner of all the land in a country nor the "producer" of the land value. The confiscation of the land rent by the State, as proposed by Mr. George and Dr. McGlynn, would there-

fore be sheer robbery, a downright infringement of the citizens' right of property.

We abstain from giving the rest of Dr. McGlynn's statement, since nothing new could be learned from further quotations. Those who wish to read the Doctor's one-sided and superficial description of the working of the Single Tax system, together with his invectives against private landownership, which is represented as giving "the power to impoverish and practically to reduce to a species of slavery the masses of men," are referred to the columns of the *New York Freeman's Journal,* Feb. 6th, 1904; or, if they prefer, they may read *Progress and Poverty* or the *Open Letter* of Henry George, where they will find the same thoughts, not infrequently expressed in the same words.

VIII.

THE TRUTH ABOUT DR. McGLYNN'S RESTORATION

To a communication to the press, part of which we quoted in the preceding chapter, Dr. McGlynn added these words· "I am particularly happy to be able to say that I found more than abundant consolation for some tribulations which I have suffered because of Mr. George's doctrines in the fact that these tribulations brought out the explicit declaration from ecclesiastical authority that there was nothing in these doctrines contrary to the teachings of the Catholic religion."

A communication from Rondout, N. Y., Jan. 16th, 1893, runs as follows: "When asked whether the action of Msgr. Satolli in reinstating Dr. McGlynn could be taken to mean that the Church itself advocated such views as Henry George and Dr. McGlynn held, Dr. Burtsell said: . . . 'Dr. McGlynn's restoration through the mediation of Msgr. Satolli is a simple declaration from the Holy See that his views of landownership

are permitted to be advocated by him, not being contrary to the laws of the Church. This, however, does not imply the conclusion that the Church itself advocates, or will advocate, such ideas in regard to landownership and the theory of a single tax, for she has never yet come to any such conclusion. There is a great difference between deciding a thing to be not contrary to the Church's teachings, and the Church's teaching such beliefs herself. Dr. McGlynn's theories are now 'free doctrine.' People may adopt or reject his opinions as they see fit, without incurring the displeasure or the rebuke of the Church through her officers.' "

This communication is reprinted in the *New York Freeman's Journal* of Feb. 6th, 1904. In the same issue we read at the end of an editorial note: "The conclusion is that the Church has neither confirmed them [the principles of Henry George and Dr. McGlynn] as true nor condemned them as false. This is the status of the Georgian Land Theory at present. It is an open question; the Catholic is free to advocate or condemn it, but he is not free to adduce the authority of the Church as an argument against it, has no grounds to say that the Church condemned it."

It is the purpose of this chapter to show that the view of Dr. McGlynn's restoration expressed in the quotations just given, is untenable. What judgment on Dr. McGlynn's teaching did "ecclesiastical authority," "the Holy See," or "the Church," give on the occasion of his reinstatement by the Apostolic Delegate, December 23rd, 1892? Let us review the facts connected with that event, as they were published at the time through the press.

A despatch from Washington, dated Jan. 14th, 1893, contained the following passage:

"Msgr. Satolli authorizes the publication of the following statement in regard to the Pope's action in the case of Dr. McGlynn:—'On the very day of the reconciliation of Dr. McGlynn with the Church public notice was given of it with the statement that Msgr. Satolli had absolved from censure and reconciled Dr. McGlynn by special power for the purpose, requested from and granted by the Holy Father, and moreover, that the absolution had been given because Dr. McGlynn had willingly accepted the conditions laid down by the Holy Father as necessary and sufficient.'"

Further on the conditions of the reconciliation were stated thus: "The conditions were

in this form: Dr. McGlynn had presented a brief statement of his opinions on moral-economic matters, and it was judged not contrary to the doctrine constantly taught by the Church and as recently confirmed by the Holy Father in the Encyclical 'Rerum Novarum.' Also it is hereby publicly made known that Dr. McGlynn, besides professing his adherence to all the doctrines and teachings of the Catholic Church, has expressed his regret (saying that he would be the first to regret it) for any word or act of his that may have seemed lacking in the respect due to ecclesiastical authority, and he thereby intends to repair, as far as he can, any offense which may have been given to Catholics. Finally, Dr. McGlynn has of his own free will declared and promised that, within the limits of a not long period of time, he will go to Rome in the spirit and intention which are becoming to a good Catholic and a priest." Note appended: "Dr. McGlynn says that he knows that the despatch from Washington containing a statement, the publication of which is said to be authorized by the Apostolic Delegate, is genuine and authentic, and that he will make the statement the subject of his talk at Cooper Union to-night. He will make an additional statement of his

own." (*New York Herald,* Jan. 15th, 1893.)

At the meeting which was held at Cooper Union in the evening of Jan. 15th, 1893, Dr. McGlynn read both the letter addressed by himself to the Apostolic Delegate and the above-mentioned "brief statement of his opinions on moral-economic matters."

According to the *World,* Jan. 16th, 1893, Dr. McGlynn said:

"Now that, as is made clear by the published statement of Archbishop Satolli, we are relieved from the restraint of certain considerations of prudence and delicacy, I am only too happy to publish the letter which I presented to the Apostolic Delegate, and his acceptance of which was immediately followed by the declaration of the removal of the ecclesiastical censures, and by this publication to reaffirm the sentiments which it contains. The letter is as follows: 'Monsignor: I am very happy to learn that it has been judged that there is nothing contrary to Catholic doctrine in the doctrine taught by me, as it was explained by me in the exposition of the same which I sent to Your Grace, and I rejoice that you are prepared to remove the ecclesiastical censures. I assure you that I have never said, and I would never say, consciously a word contrary to the teachings

of the Church and the Apostolic See, to which teachings, and notably to those contained in the Encyclical Rerum Novarum, I give and have ever given a full adhesion, and if whatsoever word may have ever escaped me which might seem not entirely conformable to those teachings, I would like to recall it or to interpret it in a sense conformable to them. I have not consciously failed in the respect due to the authority of the Holy See; but if whatsoever word may have ever escaped me not conformable to the respect due to it, I should be the first to regret it and to recall it. As to the journey to Rome, I will make it within three or four months if the matter be not otherwise determined by the Holy Father. I am Your Grace's very obedient servant, EDWARD McGLYNN.' "

What do we learn from these documents concerning the question we propose to answer?

We learn the following facts:

1. Msgr. Satolli reconciled Dr. McGlynn by special power granted by the Holy Father.

2. Dr. McGlynn received absolution from ecclesiastical censures because he accepted the conditions laid down for him by the Holy Father as necessary and sufficient; viz.:

3. Dr. McGlynn presented a statement of

his opinions and it was judged not contrary to the teaching of the Church and of the Encyclical "Rerum Novarum."

4. Dr. McGlynn professed his adherence to all the doctrines of the Church and expressed his regret for any word or act of his that might have seemed lacking in the respect due to ecclesiastical authority.

5. Dr. McGlynn promised to go to Rome in due time and in the proper spirit.

From his statement made at the meeting of Jan. 15th, 1893, also quoted above, we learn the following facts:

1. Dr. McGlynn had presented a letter to the Apostolic Delegate, the acceptance of which was immediately followed by a declaration of the removal of the ecclesiastical censures.

2. By the publication of this letter at the meeting, the Doctor wished to reaffirm the sentiments contained therein.

3. He had learned with satisfaction that it had been judged that there was nothing contrary to Catholic teaching in his doctrine, as explained in his exposition of the same.

4. He assured the Apostolic Delegate that he had never consciously said a word contrary to the Church's teaching, nor consciously failed in the respect due to the Holy See.

5. The Doctor expressed his full adhesion to the teachings of the Church and notably to those contained in the Encyclical "Rerum Novarum."

6. As to the journey to Rome he was willing to make it within three or four months.

These are all the facts contained in the two documents. Where is there a declaration of "ecclesiastical authority," from "the Holy See," from "the Church"?

The Washington despatch authorized by Msgr. Satolli says that "the brief statement of the Doctor's opinions on moral-economic matters was judged not contrary to Catholic teaching." Dr. McGlynn himself writes in his letter to the Apostolic Delegate simply: "I am very happy to learn that it has been judged that there is nothing contrary," etc. "It was judged,"—"it has been judged."—By whom? By the Apostolic Delegate? If this had been the case, the Washington despatch, or, at least, Dr. McGlynn himself, would have mentioned it. The expression, "it was or has been judged," especially when compared with the phrase, "Msgr. Satolli had absolved from censure and reconciled Dr. McGlynn"; and again, "I rejoice that you are prepared to remove the ecclesiastical censures," rather indicates that the

"judgment" concerning Dr. McGlynn's doctrine did not proceed from the Apostolic Delegate.

Moreover, it would have been impossible for Msgr. Satolli to examine and decide the doctrinal part of the McGlynn case himself. He had but recently come to this country and was not yet sufficiently acquainted with its language to read the publications of Henry George or similar works. He had not followed the Henry George controversy, which had been carried on in this country for over ten years and which had excited the minds of Henry George's followers as well as of his opponents in a degree that can only be compared with the excitement caused by the Catholic school controversy which just at that time was in full blaze. Besides, the Apostolic Delegate was kept busy with many other intricate and annoying affairs. In truth, he was not in a position to judge for himself of the doctrine advocated by Dr. McGlynn, but was forced to consign this task to others. And this he did.

In the *New York Freeman's Journal,* whose reliability in this matter admits of no doubt, we read (issue of Dec. 5th, 1903):

"On the arrival of Archbishop Satolli in this country as the Pope's representative,

appeal was made to him to reverse the act of excommunication against Dr. McGlynn. He suggested that Dr. McGlynn should fully state and explain his doctrine on the land question. The Doctor presented to the Ablegate a direct and explicit statement of his teaching, just as he had been teaching it from the beginning. His presentation of the George land theory was submitted to and carefully considered by a committee of the professors of the Catholic University at Washington, who—with the Encyclical quoted by [our correspondent] before them —declared that it contained nothing contrary to the teachings of the Catholic Church. These professors were Revs. Thomas Bouquillon, D. D. (Dean of the Theological Faculty); Thomas O'Gorman, D. D. (now Bishop of Sioux Falls, S. D.); Thomas J. Shahan, D. D., and Charles Grannan, D. D.

"On this decision Archbishop Satolli, in formal words, and in the name of the Pope, removed the ban of excommunication from Dr. McGlynn, and the first announcement of the Doctor's reinstatement was made by the papal representative from the Catholic University at Washington. Previous to the removal of the ban Dr. McGlynn had expressly stipulated that he should be free to continue

to expound the Single Tax as long as he thought proper."

Again, in the same journal, for Jan. 23d, 1904, we read:

"When [our correspondent] carries his interpretation so far as to say the Encyclical condemns the Single Tax doctrine, he comes in collision with the judgment and official decision of those learned professors to whom a statement of the doctrine was submitted by Msgr. Satolli, the Pope's representative. With the greatest regard for [his] ability and learning, we are constrained to prefer the official interpretation of those university professors which the Pope's representative received and acted upon, and on the basis of which he restored Dr. McGlynn to his ecclesiastical status.

"Msgr. Satolli requested Dr. McGlynn to state the Single Tax doctrine which he advocated. He complied, and his statement was submitted by Msgr. Satolli to the professors of the Catholic University at Washington. Their decision was that they found nothing in the statement contrary to Catholic teaching. As they included the Encyclical as Catholic teaching, their decision was that there was nothing in the statement of Dr. McGlynn contrary to that papal document.

This was accepted as final by the Papal Delegate, and Dr. McGlynn was restored without any retraction or repudiation on his part of the doctrine he had been advocating, and with the understanding that he could continue to advocate it. On the evening of the day on which he said his first Mass after his restoration, he gave a public lecture in which he advocated it."

Finally, on Feb. 6th, 1904, the *Freeman's Journal* wrote under the heading, "The Georgian Land Theory," as follows:

"In compliance with the suggestion [of a correspondent], we give elsewhere in this issue the two statements of the Georgian Land Theory as understood by Dr. McGlynn and Dr. Burtsell. These statements were approved by Henry George, in a letter to the New York *Sun*, as a correct exposition of his land theory. They were submitted to Msgr. Satolli and by him referred to a committee of professors of the Catholic University of Washington and declared by them to contain nothing contrary to Catholic teaching. After this decision was rendered the Papal Delegate removed the excommunication from Dr. McGlynn and restored his faculties."

The *Freeman's Journal* adds: "These facts, it seems to us, ought definitely to close

the question. . . ." Undoubtedly they ought to close it, and we venture to maintain that they do close it. For they make it evident beyond even the possibility of a doubt, that the judgment which declared the land theory advocated by Dr. McGlynn to contain nothing contrary to Catholic teaching, was not a "declaration from ecclesiastical authority," but the opinion of the four professors who had been called upon to examine Dr. McGlynn's statement. These learned professors acted merely as private theologians. Their decision, therefore, carries no more authority than that which utterances of scholars generally carry. But after all, did their learning keep the four professors from making a *wrong* decision? Alas! it did not. Their decision is so manifestly erroneous that it has always been and is still a mystery how they could arrive at it.

We have demonstrated, by a minute and accurate examination of the tenets of Henry George and Dr. McGlynn, that their doctrine is substantially the same. We have demonstrated that their whole economic teaching is essentially embodied in the statement: there is no private, but only common ownership in land. We have, finally, demon-

strated that this doctrine openly conflicts with natural reason, with the explicit teaching of Leo XIII., and with Holy Scripture. The opinion, therefore, of the professors who pronounced the Henry George-McGlynn Land Theory to contain nothing contrary to the teaching of the Church, has no value whatever. And in the reinstatement of Dr. McGlynn, as well as in the events connected with it, there is nothing that could in truth be construed as a doctrinal decision or judgment from any ecclesiastical authority. The action of the Apostolic Delegate in the McGlynn case was of merely disciplinary character.

Those who followed the events occurring soon after the arrival of Msgr. Satolli in this country, will remember what a surprise to the public was the news of Dr. McGlynn's restoration, on December 23rd, 1892. Catholic writers and lecturers had stigmatized Henry George's theory of landownership as contrary to the teachings of the Church and of Holy Writ. Dr. McGlynn, who had made the Georgian tenets his own, had chiefly on that account come in conflict with his ecclesiastical superiors. Nevertheless he was absolved from censure by Msgr. Satolli with-

out being requested to retract his former teaching. This was and remained for many an insoluble riddle.

Previous to the removal of the excommunication, as we have seen, Dr. McGlynn presented to the Apostolic Delegate an "explicit statement of his teaching, just as he had been teaching it from the beginning." This statement was examined by a committee of four professors of the Catholic University of America, who declared "that it contained nothing contrary to the teachings of the Catholic Church." Accordingly, the Apostolic Delegate saw no reason why Dr. McGlynn should be asked to recant his former teaching; on the contrary, he naturally rather pitied the Doctor, who had been for so many years to all appearances wrongly supposed to hold and propagate an erroneous and even heretical doctrine. This sufficiently explains the action of the Pope's representative.

However, the said supposition was *not* wrong, but the *decision* of the advisory committee was wrong, and it was only because the Apostolic Delegate had been misled by that decision, that the restoration of Dr. McGlynn took place under such easy con-

ditions and without any recantation of his former teaching.—

The *New International Encyclopædia* gives the following summary of Dr. McGlynn's career: "He was born in New York, September 27th, 1837, of Irish parents. He was educated at the Propaganda in Rome, was ordained there, and in 1866 became pastor of Saint Stephen's Church in New York, but in 1886 was removed by the Archbishop, on account of his opposition to parochial schools, and especially because of his persistent advocacy of Henry George's Single Tax theories, which were declared at variance with Roman Catholic teachings. He was soon after summoned to Rome to give an account of himself, but he refused to go. On the contrary, he boldly advocated in public the doctrine 'no politics from Rome.' In July, 1887, he was excommunicated. In December, 1892, after a hearing before the Apostolic Delegate, Msgr. Satolli, he made his submission and was restored to his priestly functions. He was in charge of a parish in Newburgh, N. Y., until his death, Jan. 7th, 1900. He aided in founding the Anti-Poverty Society, and became its president (1887)."

Dr. McGlynn's absolution from ecclesiastical censures at the hands of the Apostolic Delegate was, under the circumstances, a great humiliation for Archbishop Corrigan; for it made the steps which had been taken against the Doctor by his immediate ecclesiastical superior appear before the whole world as arbitrary and unjust. Yet the saintly Archbishop never uttered a word of protest, but preferred to be silent, after the example of his Divine Master.[1]

[1] The generosity of Msgr. Corrigan's conduct throughout "the McGlynn case" can be fully appreciated only by those who, like myself, have had access to the documents left behind by the saintly Archbishop. Some day, no doubt, these documents, authentic copies of which I had the privilege of examining in the winter of 1904–5, will be published, and then only will the McGlynn case, in all its details, appear to the public in its true light.—A. P.

IX.

WHOSE IS THE UNEARNED LAND VALUE?

Those who claim the unearned land value for the community or the State advance one or both of these reasons: the *land* belongs to the community; the land *value* is a product of the community. Both these assertions have been refuted in previous chapters. The second, however, being independent of, and apparently more plausible than, the first, may profitably be made the subject of a separate inquiry. It is thus clearly proposed in an article of the *Catholic Sentinel,* Portland, Ore., November 3rd, 1904:

"When the first comer settles on a claim in the midst of a vast wilderness, the land has no value whatever. It is of very little difference to him whether he settles a few miles farther east or west, provided that the bounties of nature are pretty evenly distributed in the new region. But when the second settler comes, there is a decided advantage in settling in the neighborhood of

the original comer, for the reason that the two settlers will be able to help one another in their work. At this stage, the land which originally had no value, receives a slight value, due merely to the fact that a settlement has been begun. As time goes on, and the numbers in the community increase, a teacher is hired to instruct the children. A new family now moving into the wilderness would have a very strong motive inducing them to locate near the new settlement, rather than to move farther on in the wilderness. Then a church, a store, a blacksmith shop, police protection, and other accessories of a well-regulated community, are obtained. And these things and other similar causes combine to increase the value of the land. Now Henry George, and with him Dr. McGlynn, proposed that this land value due to the presence of society, this 'unearned increment' of value, should be confiscated for the use of society."

The argument contained in this passage, as we have already shown elsewhere, proves too much,—a clear sign that there is a radical flaw in it. When the first comer settles in a vast wilderness, the land has indeed no exchange value whatever. But the very same is the case with everything else the

settler may possess or raise or manufacture in that new region: huts, barns, horses, cattle, chickens, corn, potatoes, beans, shoes, clothes, implements, etc., etc. None of these objects has in the midst of a vast wilderness any exchange value whatever. Now let other settlers come into the same region, and not only the land, but all other property begins to have an exchange value, which will, within certain limits, increase as the community grows and advances. This value is "due to the presence of society" and is, if we deduct a fair compensation for the labor expended on those objects, an "unearned increment of value," just as in the case of land. Accordingly all this "unearned increment of value" is to be "confiscated for the use of society." Thus, according to the principles of the Single Tax men, we have not taxation on one kind only of goods, i. e., land, but on all kinds; we have not a "single" tax, but—*mirabile dictu!*—a universal tax!

To escape this absurdity, one might say: There is a difference between things produced by labor and things not so produced. The former we do not want to tax, but only the latter; the former belong to their owner with all the value that may eventually accrue to them; not so the latter. We ask: Why

do the former, but not the latter, belong to their respective owners with all the value that may eventually accrue to them? This discrimination is quite arbitrary. Between things produced by labor and things not so produced, there is, of course, this difference that on the former human labor has been expended to produce them, while no labor has been expended on the latter, except, perhaps, for their improvement. But what follows from such difference? This, that the portion of the value which corresponds to the amount of labor expended is rightly considered as a compensation for that work or labor and is therefore earned by such labor; whilst the surplus of the value is not a compensation for labor and is therefore unearned. Now in society, especially in modern society with its manifold artificial means of production and communication, things produced have, as a rule, a much greater value than the mere equivalent of the labor expended on them. This surplus of value, therefore, is no less unearned by the producer than the value of a piece of unimproved land is unearned by the landowner. In this regard there is absolutely no difference between the two kinds of property.

Hence if the owner of things produced by labor may rightfully claim the "unearned increment" of their value, so may the owner of landed property rightfully claim the "unearned increment" of his land. The first-mentioned proprietor has no better title to the said "unearned increment" of value than the landowner has to the value of his land.

Yes, he has a better title, replies Henry George; for having produced the objects in question he really owns them and consequently also that which flows from such ownership; the landowner, on the other hand, has not the producer's title—the only title from which, in the last resort, springs the right of ownership.

This answer would indeed remove the absurdity we have pointed out, but only by substituting another absurdity, viz., that labor (production) is the original title of ownership and that land, not being produced, can not really and truly be owned.

The same reason is clothed by the *Catholic Sentinel* also in this form: "It seems to us that the real question is: Is it desirable, from the point of view of the general good, that John Smith, who owns a corner lot in a rapidly growing suburb, should be allowed

to pocket the rise in value of his lot, although he has not done anything personally towards causing the rise?''

And, we may add, since the unjust is certainly undesirable and the just desirable, the real question is ultimately: Is it just, from the standpoint of natural right, that John Smith, the owner of a corner lot, pockets the rise in the value of his lot, although he has not done anything towards causing the rise? This question, however, supposes in the mind of the enquirer a rather imperfect notion of lawful and unlawful ''pocketing.'' In order to pocket something lawfully it is not at all necessary that one should have done something personally towards its rise or origin; he may have some other title to claim it. A few examples will make this evident.

The owner of a large vineyard, let us suppose, has had for several years such poor crops that he was barely compensated for his work. But after the years of scarcity follow very fruitful years. With the same amount of labor the wine-grower realizes now the threefold crop of former years. Evidently two-thirds of the increased returns are ''unearned increment''; nevertheless he pockets the profit with the same

quiet conscience with which he formerly took the poorer returns. A seamstress, working according to the old style, by hand, earned $1.50 a day, which was a fair compensation for her work and amply sufficient for her support. She purchased a sewing machine and now, with the same amount of labor, earns $3 a day. In less than two months the machine is paid for. Henceforth she receives every week $9 over and above the compensation for her personal labor, accordingly as pure gain, or, in technical parlance, as an unearned increment. Needless to say, she pockets the whole of her $18 every week without a scruple. More than that, every month she deposits the sum of $35 in a bank at 3½ per cent. interest, and every year she draws the interest of her increasing capital, again without the least scruple, although she has done nothing personally towards causing this increase of her money. Now on what ground, we ask, will or can any one disturb the quiet conscience of that happy wine-grower or of that industrious seamstress? Was not all they pocketed their legitimate gain or income, although part of it was not due to their personal labor, was not earned by them, but was for them truly an "unearned increment"? Evidently earning or labor is

not the only lawful title to ownership, profit or gain. Hence John Smith may have a just claim to the increased value of his corner lot, although he did not earn it.

But has the land value which John Smith did not earn, perhaps been earned by the community? In the question whether or not the land value is earned by the community, this latter expression may stand either for the community in as much as it is one social body, or simply for the individuals who compose it. In either case the question is to be answered in the negative. The importance and subtlety of this point demand a thorough and detailed examination.

We have repeatedly used the term "unearned" without dwelling on its definition. Here it is necessary to analyze and ascertain its true meaning. What then does this term, taken in its proper and strict sense, mean? An alms which you give to a poor man is not earned by him; he receives it as a charity. A rich man who lives on his interest, does not live on his earnings; the property which yields him a sufficient income to live on, may have been earned by him previously; but he may also have received it as an inheritance from his parents, in which case it was not earned by him. The husbandman, however,

who lives on the produce of his farm, in as much as that produce is the result of his labor, lives on his earnings. Again the fair wages of a workman, the salary of a clerk or a teacher, are earned by them, because they are due compensation for work for which they have been engaged.

It is plain that two conditions are essentially required in order that something may be said to be earned. First, it must be a remuneration for labor, i. e., for the exertion of one's powers. Earning and labor are correlative terms; one implies the other. Secondly, the remuneration must be one to which he who receives it is by justice entitled. Such is the case of the farmer who by dint of his own labor raises a crop on his farm; he can not be deprived of it by any one without injustice. Such is likewise the claim of the workingman, the clerk, the teacher, with regard to their wages or salary. A claim of justice is essential to constitute earning in the strict sense of the term.

This claim of justice, may, however, arise in two ways, according as one works for himself, so to say as his own master, or for another by whom he is employed. He who works for himself and with his own means, can evidently claim as his own the product

of his labor. Thus the produce of an independent farmer belongs to him; the work of art produced by a painter or a sculptor belongs to the artist. No one can deprive them of the fruit of their labor without injustice; and if they exchange it for an equivalent amount of another kind of property, or for an equivalent sum of money, the price they receive is in justice theirs, it is earning in another form. If one works for another, i. e., if he hires his labor to another and for his benefit, a fair compensation for the work is to be agreed upon, and this agreement or contract constitutes in this case the claim of justice to the compensation when the work has been conscientiously done according to the agreement. Examples of this second kind are hired laborers, clerks, teachers, etc. Hence we arrive at the following definition: That, and that only, is earned, which belongs to one as a product of labor or as a compensation for labor.

The exact meaning of the term being established, the question,—Is the land value earned by the community? can now be more clearly expressed thus: Does the land value belong to the community as a product of labor or as a compensation for labor? All agree that the exchange value of a statue

or a painting which has been produced by an artist working independently, is to be considered as compensation for his work and is therefore earned by him. All agree likewise that the increase in value which is due to the improvements made by the landowner himself is earned by him. But the question with which we are engaged at present refers to the value which land has, irrespective of improvements. Is this value earned?

Let us call to mind what exchange value is and how it originates. The exchange value, as we have mentioned elsewhere, is the capacity of an object, which it has in society, of being exchanged (sold) for some other good. The correctness of this definition may be made evident by its application to any particular example, be it a movable good, a piano, a horse; or an immovable one, a field, a farm, a town lot. The exchange value arises proximately from the common judgment or estimation of men, remotely from various features of the salable object and from external circumstances or conditions on account of which people attach to objects such and such a value. The principal factor determining the exchange value is in all cases the usefulness or fitness of the object to satisfy the wants or desires

of men. But the cost of production or transportation and the abundance or scarcity of similar goods are likewise to be taken into consideration. Now in the case of landed property there can plainly be no question of cost of production or transportation. Its value, therefore, will depend exclusively upon the usefulness, be it for agricultural or for business purposes, of the respective parcels of land, and on the greater or lesser difficulty of obtaining suitable estates. How, then, does the value of land, irrespective of the qualities it possesses by nature, and of the improvements which are the result of the owner's labor, arise?

Let us consider the settlement in the wilderness, whose formation and development the writer in the *Catholic Sentinel* describes, after it has grown to be a town of about 500 families. Land has now a considerable value, because it is much more advantageous to live in town than outside of, or at some distance from it. For there is "a decided advantage" in living near so many neighbors, who may assist you when you need help, who may provide you with almost anything you want in time of health or sickness, as the grocer, the baker, the tailor, the carpenter, the doctor, the druggist, etc.,

etc. On account of such and similar advantages people attach to land in town a greater value than to the surrounding or more distant territory.

Now do the inhabitants of the town "create," i. e. produce, for one another those practical or social advantages which make the land so valuable in the eyes of all? Certainly they do, but how? They create them indirectly and incidentally with what they create directly and immediately. Take for instance the grocer, who builds his store in a certain place and keeps it stocked with all the kinds of groceries people may desire. The store with its provisions is the direct and immediate product of his labor or activity, it is his creation in the strict economic sense, entailing the ownership of the product, viz., of the store with its provisions. But this same building with the groceries stored therein furnishes *ipso facto* to all the inhabitants of the place the opportunity or advantage that they can buy there whatever they wish in the line of groceries. This is an indirect and incidental effect or consequence of our grocer's enterprising activity. The advantage thus indirectly and incidentally created for the people is indeed a real advantage, and a considerable one. But is it

earned by the storekeeper? that is to say, does it belong to him as a product of his labor? which product, since it passes to others who are benefited by it, viz., the people of the town, demands on their part a corresponding remuneration? Evidently no. Who has ever heard that people were bound to compensation for the mere advantage of having a grocery store in their neighborhood?

For the grocer, however, it is likewise a great advantage that so many families live near him. What would become of him and his store if there were no people in the place? Yet for this advantage, again, of having so many people living near him, the storekeeper owes them no compensation; only when they come to buy from him is he bound in justice to give them whatever they want, provided he accepts from them the fair price he has fixed for his goods. The advantages, therefore, which the grocer and the people create for one another are of such a nature as not to demand any compensation on either side; in other words, they are not earned.

But suppose a compensation were due. Are these advantages not mutual and, economically considered, equal? Undoubtedly between the advantage, on the part of the

grocer, of having a chance to sell his goods, and that, on the part of the people, of having an opportunity to buy what they need, there is, from an economical standpoint, no difference; for as long as buyer and seller deal fairly with one another, each will always receive the equivalent of what he gives. Hence it follows that the compensation due on one side would, in our supposition, be balanced by that which is due on the other. Accordingly, in whatever way we may consider the economic or social advantage created by the grocer for the inhabitants of our prospering town, it is in no wise "earned" by him.

What has been said of the grocer, holds good of all the other inhabitants. Whatever material advantages may accrue to others from their presence and private enterprise, are produced indirectly and incidentally, and without claim to compensation; in other words, they are not earned.

On the public improvements, i. e., those which are made by the community or town as such, e. g., public roads, public buildings, etc., and on the advantages arising from them, we need not enter. Public improvements are brought about and supported by common expense; they belong to all and benefit all; besides their connection with the rise

of land values is the same as with that of private enterprises or improvements.

However, in order to make our description of the origin of land values complete, let us consider how social advantages are produced by causes exterior to our imaginary town. Suppose a railroad line is built through it. At once the land values will begin to rise. Why? Because of the new advantage of easy communication with other places, which helps business and traffic exceedingly. Can the railroad company claim from the town any compensation for the facility it offers of communicating with distant towns and cities? No. The company owns the road which it has built, the direct product of its labor and expenses. Besides, when the road is actually used, the owners can claim the actual income from traffic and transportation. But for the facility, as such, of communicating with other places, no compensation is due to the company for the same reasons as we have set forth above.

Accordingly, all the practical advantages which arise for the people from private and public improvements, and which increase the land values, are unearned by those who produced the respective improvements. Can it

then be that the land values themselves are earned by them?

Let us proceed to the last stage of our argument. How do the social advantages which concur in raising the value of land produce this effect? They do not act physically, like the rays of the sun which ripen the grapes, or like a mechanic who produces a tool. Their activity is of a totally different order; it is what is called by philosophers a moral activity, one exerted in and through the reflecting mind. For those practical advantages are reasons on account of which the common estimation of men attaches to such or such parcels or sites of land such or such a value. The mind considers them as well as various features and circumstances of the land itself and thus after an equitable appreciation of all the objective reasons forms the judgment or decision by which the land value is finally determined. Such is the nature and the origin of that mysterious thing called exchange value.

Now since the objective reasons which create the land value, produce their effect by an activity altogether different from that which we call labor, the land value in itself is not a product of labor and consequently is

not earned directly. The same holds of exchange values generally. They neither have in themselves any physical reality which is produced by labor, nor do they originate from their remote causes in any other way except by the appreciation of the mind. Hence they can never be earned in themselves or *directly*. They may, however, be earned *indirectly* or mediately, i. e., in as much as the causes from which they arise are earned. Thus the value of a statue or a painting is earned by the artist, because the artistic perfection of the work which gives it its value, is the product of his labor. For the same reason the increase in value which is due to improvements made by the landowner, is earned by him, viz. indirectly. But we are now dealing only with the value which land has on account of exterior social advantages. These advantages, as we have demonstrated, are unearned and consequently the rise in value of land caused by them is not even earned *indirectly*. This land value, therefore, is *absolutely unearned*. It may be called, in a general sense, a product or creation of society, to signify that it springs through the estimation of men from practical advantages found only in society; but it can not be called so in the economic

sense of the term. The land value, irrespective of improvements, is strictly and absolutely an unearned increment.

We are now prepared definitely to answer the query, To whom does the land value, this "unearned increment," belong and by what title? According to the principles laid down so far the answer can not be doubtful. The exchange value of an object, as we have seen, is the possibility of obtaining by exchange an equivalent amount of other goods; in other words, it is the usefulness of the object considered as a means of exchange. Now who can claim this usefulness? Evidently no one except the owner of the object. The owner and he alone has in virtue of his right of ownership the legitimate and inviolable power of disposing of his property for his own benefit, and that in any manner whatever, so long as he does not violate the rights of others or a just law prohibiting such or such a particular use of his right. The owner may keep his property for himself or give it away as a free donation; he may lease it to others for a certain amount of yearly rent; he may also, if he pleases, give it away on condition of receiving for it its equivalent according to common estimation—a transaction which we call selling. If he sells

his property, his ownership in what he sells ceases, but in its stead he receives its equivalent, i. e., becomes the owner of the price.

Now in selling his property and pocketing a fair price for it, does the seller violate any just law or other people's rights? The law forbids the act of selling only in special circumstances, e. g., if the owner is under age. Generally speaking, a proprietor is not forbidden by law to sell his property. Besides, the seller does not wrong the buyer, because the latter receives the equivalent of the price he pays and consents to the bargain freely. Finally, no one else is in any way wronged, because no one else owns the property in question or has a claim to its value or any part of it. Hence the transaction is entirely legitimate. By selling his property the seller becomes the rightful owner of the whole price which he receives, just as the buyer becomes the rightful owner of the whole property which he buys. Claiming the price for any one else than the owner of the salable object, would evidently be to deny his right of ownership. But the claim to the price in case of an exchange, and the claim to the exchange value of an object, are one and the same thing. Consequently, to deny the owner the claim to the value of his property, is in

fact a denial of his right of ownership. By its very nature, therefore, the value belongs to the owner of the valuable object and the right of ownership essentially includes the legitimate claim to the value of the object owned, no matter what that object is, chattel or land.

From the foregoing the reader will easily understand that our doctrine is but an application of the principle: "Res fructificat domino." The exchange value as such is a product or fruit which property yields under certain favorable conditions of society. It is a civil or social fruit. Outside of society property would be useful only within a very limited sphere; in society it becomes, besides, under favorable circumstances, exchangeable for other useful goods. This new advantageous feature of property, with all the benefit to be derived from it, belongs to the owner of the object for the same reason that its other useful qualities and its natural fruitfulness belong to him. The owner of a thing owns the real thing and the whole thing as it is; he owns it, therefore, with all its fitness for immediate practical purposes and with all its fruitfulness, if it is capable of bearing fruit, be it physically or civilly.

"Res fructificat domino" is a self-evident

principle and is constantly applied by every one without the slightest misgiving. If the owner of a vineyard is blessed with a crop that not only compensates his labor, but leaves him double the amount as pure gain, one-third of the produce goes to him as "laborer," being the fruit of his labor, the remainder goes to him merely as landowner, being the fruit of his vineyard; the former is an industrial, the latter a natural fruit. The seamstress of whom we spoke on a previous page, who earns $3 a day with her machine, pockets indeed the whole amount; but only half of it is her personal earning; the other half is the industrial fruit of her machine, just as the interest which she draws from the bank is the civil fruit of her deposit. The "fruit" of her machine, however, and of her money, is no less hers than the sum which corresponds to her personal daily work, because "res fructificat domino."

Upon this principle rests whatever income a proprietor may legitimately claim as proprietor, independently of his personal labor or activity; for what corresponds to the latter, is due to him as the fruit of his labor and is an earned increment. If in a lucrative business one and the same person does the work and owns the capital put into the busi-

ness, he can claim the entire profit, which is partly earned, partly unearned. If, on the other hand, one furnishes the work, and another the capital, the profit will have to be divided between the two partners according to a fair proportion agreed upon beforehand; the share of the former is due to him as compensation for his labor, whilst the claim of the latter is that of a proprietor to the fruit of his capital.

In an advanced stage of social progress almost any kind of property may be made productive or fruitful. Not only labor, but also land and capital are rich sources of wealth, nor can any one of them be dispensed with. Of the three, land is undoubtedly the most important, no matter whether we consider its abundance of hidden treasures and its fertility, by which it is, as Leo XIII. says, "a never failing store-house for man's ever-recurring needs," or look upon it as the dwelling-place wherein men may live and build their houses, work-shops, stores or offices. In both respects land is the basis of the two other sources of wealth. It is, therefore, of paramount importance, nay of imperative necessity for the welfare of society not to abolish, but to maintain intact the right of landownership as the author of nature and of society has established it.

X.

THE FUNDAMENTAL FALLACY OF AGRARIANISM, SOCIALISM, AND COMMUNISM

In his *Open Letter* Henry George strongly resented that Leo XIII. had classed the Single Tax men as Socialists; he moreover accused the Pope of having confounded Socialism with Communism.

What is Socialism? Socialism is a special form of Communism, as Agrarianism is a special form of Socialism.

Every system that attacks private ownership and substitutes in its place common ownership is in the proper sense of the word Communistic. Communism, however, may be more or less comprehensive and radical, according as the denial of private ownership extends to one or several or all of the great classes of material goods that are at present and always have been held in severalty. *Extreme* Communism denies the private ownership of all classes of objects and advocates the transfer of all goods without exception to the community as owner and administrator.

Moderate Communism "advocates only the abolition of private property as far as capital, or the materials of labor, or productive goods in contradistinction to non-productive goods, is concerned. By productive goods are meant real estate, all kinds of raw material, factories, machines, tools, means of transportation, in fine, everything not intended for immediate consumption. . . . This moderate form of positive Communism is at present the only one which has adherents. They are divided into two large groups, bitterly hostile to each other: *Anarchism* and *Socialism.*

"*Anarchism* (Anarchist Communism) demands the transfer of productive property to independent *groups of workingmen* (communities). . . . *Socialistic Communism,* or simply *Socialism,* advocates the transformation of all capital, or means of production, into the common property of society, or of the State, and the administration of the produce and the distribution of the proceeds by the State. Since modern Socialists, and chiefly the followers of Karl Marx, intend to realize this scheme upon a purely democratic basis, they call themselves *Social Democrats,* and their system *Social Democracy.*"[1] The

[1] Cathrein-Gettelmann, *Socialism,* pp. 14 sqq.

transformation of all the means of production into the common property of the State or commonwealth, is the final aim and the substance of Socialism strictly so called, in which all Socialist platforms both in Europe and America agree.[1] Their other and more immediate demands, in which there are many differences, are, as it were, only steps and means to accomplish that end.—*Agrarian* Socialism, finally, denies private and advocates common ownership in land only.

All these systems have one and the same principle in common, viz., common or collective ownership; they differ only in its application. Whether they are called Communism or Socialism is immaterial, these terms properly meaning the same thing, just as the words "community" and "society."[2] In their strict sense, however, the terms have come to signify the special systems as enumerated and described above.

In his Encyclical "Rerum Novarum" Leo XIII. does not enter upon any classification or enumeration of the various Communistic forms, which he supposes to be sufficiently known; nor does he mention any of their de-

[1] Ibid. pp. 56 sqq.
[2] Cf. *Institutiones Juris Naturalis*, by Theodore Meyer, S.J., Pars II., nn. 137–140.

mands except that which is common to all systems and is the basis of all other demands, viz., common landownership. Using the term Socialism and Socialist in a broader sense, he attacks all Communistic forms at once and refutes them all by disproving the one essential and fundamental tenet in which they agree. This was a veritable masterstroke of the great Pontiff. The foundation of a building being destroyed, the stories erected upon it tumble by themselves. Such is Leo's refutation of Socialism and Communism. Apparently he deals only with Agrarianism, but by refuting it he *eo ipso* refutes all economic systems destructive of society.

In fact, between Agrarian Socialism and the other Communistic forms there is no essential difference; the difference lies merely in a greater or less degree of consistency, the least consistent being Agrarianism, the most consistent, extreme or absolute Communism. A supporter of common landownership cannot consistently fall short of advocating Anarchism or Socialism strictly so called, nay, even extreme Communism.

"A Socialist, therefore," writes Cathrein, "might well take a leaf out of Mr. George's book. Not only as regards the soil, but also

with respect to all other things owing part of their value to nature (and to these how few are the exceptions?), he might emphatically exclaim: 'Is not labor the only source of acquiring? Does nature discriminate, and destine her prizes for one man rather than for another?' This principle, then, of Mr. George's (viz., that labor is the only source and title of ownership) avails him nothing, unless he is prepared to throw himself into the arms of radical Socialism.''[1] And again: ''Therefore we justly conclude that *private property in land* has the very same *natural basis* as *private property in general.* He who cries out against individual property in land as unjust, must necessarily raise his voice against *all* private property, and hence openly and frankly profess downright Socialism.''[2]

Let us examine in detail how from the common ownership of land follow all the principal demands of Socialism. Can an Agrarian Socialist, without contradicting himself, admit private ownership in raw materials? He cannot. All raw materials belong to the natural bounties; they are products of nature, not of man. Accordingly,

[1] *The Champions of Agrarian Socialism*, pp. 112 sqq.
[2] Ibid. p. 119.

they are positively owned by all men in common; were any one to appropriate a portion of them for himself to the exclusion of all others, he would rob mankind of its own.—Do not say, raw material must often be taken out of the bosom of the earth as a fish must be taken out of the river or lake to be enjoyed at a meal, and this taking out frequently implies great labor and expense. *Taking* is not *making;* what is to be taken by man, must first have been made by nature, i. e., the Creator; and what nature or God has made, is the common property of all and no one's exclusive property!—Neither can what nature has given to all be turned by any one's efforts or exertions, however laborious and expensive, into his private and exclusive property. For such a change would involve the destruction of the common ownership in that particular object, since common and individual ownership in the same thing are incompatible. But a natural right of ownership vested in all mankind cannot be destroyed or cancelled by a particular action, however laborious, of one or several individuals. If this were feasible, why should not a burglar who with great labor and skill succeeds in taking public money out of the city treasurer's vaults, be empowered to

turn the common property of the city into his private property?

But the Agrarian Socialist must go farther and surrender to the community also the artificial means of production. We say the artificial means; because means which are merely natural, e. g., the flowing or falling water of a river, belong to the bounties of nature which are common to all. The artificial means are produced by human labor, as machines, mills, etc., and are either the product of the community as such or that of one or several individuals. It is self-evident that they are and remain common property in the former case; and that they are so in the latter, we shall now explain.

Whatever particular means of production we may consider, e. g., a machine, it consists of material which, through the labor and skill of those working on it, received its present form and composition. That material, however, was once raw material and as such naturally the common property of all. But no private activity of individuals, as we have seen, can destroy the natural right of ownership vested in mankind. The material, therefore, or the substance, as we may call it, of every machine, even when completed, remains what it was by nature, the common property

of all. Now the natural common ownership in the substance of the machine prevents the acquisition of any private ownership in the accidental form produced by labor.

For the natural common right is manifestly prior and superior to any supervening individual claim and must therefore prevail in a case of colliding rights or claims. Such a case we have before us: the ownership in the substance, on the one hand, is useless without the ownership in the accidental form, and vice versa; on the other, it is impossible that the machine be, at the same time, the actual property of mankind and the exclusive property of one or several individuals. Whose claim, therefore, must, in the objective order of justice, yield and whose will prevail? The inferior must yield and the superior will prevail; or, as Henry George correctly and forcibly puts it, "The individual right is lost in the common right. It is the greater that swallows up the less, not the less that swallows up the greater."

Consequently, the community which owns the material will also own the form as it arises through the labor of the "producer;" and when the machine is finished, it is the property of the community, not of the "producer." Had the latter worked on material

that was his own, or at least ownerless, both the substance and the form, that is, the whole machine would be his; but he worked on material owned by the community and therefore the community, as owner of the material or substance, becomes also the owner of the new accidental form. The "producer," indeed, has a claim upon the community which he has benefited for a compensation for his labor; but in the machine itself he has no claim of *ownership* except that which everyone has in the common property of all.

The case of a machine is, in the supposition of common landownership, exactly the same as that of a cultivated field. Take an agriculturist who, by expending labor, improves a piece of land. What right does he acquire according to the theory of common landownership?

He acquires indeed the right to gather the fruits of his labor, that is, a portion of the produce of the field, but he does not and can not acquire the ownership of the field; and even if he continues to lavish labor upon it, he does not acquire its ownership. The field was before, and always remains, the property of all, and any one who wishes to cultivate and use it, has the right to do so

in his turn, just as our agriculturist did so far. If some labor of his has not yet been adequately compensated, he may eventually claim what is owing to him, but he can not permanently exclude others from cultivating and using the same field if they wish to do so; for to *exclude them* would be to *deprive* them of their *natural right* to the bounties of nature, which are *their real property* as well as that of all others.[1]

In the same way, whatever is natural in the machine, is and always remains the common property of all; the artificial improvement or accidental form which results from

[1] In the same manner Cathrein argues in the following passage: "It would be vain to object against Mr. George's argument, that the agriculturist expends labor and capital on his farm, and that there may occur many cases in which it can scarcely be decided how much of the value of an estate is due to labor and capital. From this it would only follow that the farmer has the right to gather the fruits of his labor, but not that he has the right of permanently excluding all others from the use of the same land.

"Perhaps one might urge that the proprietor, continuing to expend new labor on his field, will ever continue to be entitled to exclude others from its simultaneous use in order that he may get the fruits of his labor.

"We reply: If labor is the *only* title of ownership, whence does the landowner derive his right to *exclude others* permanently from his estate, supposing that they also wish to cultivate *this same piece of ground*, especially if no other land is to be had. He may have a right to compensation for the labor already expended; but the right of excluding others permanently from the advantages which the soil offers as the previous condition and basis of labor, cannot be derived from the sole right to the produce of labor." (*The Champions of Agrarian Socialism*, pp. 100 sqq.)

labor could be claimed by the producer, if it were something by itself, or if the substance or material were his own or, at least, something without an owner. But the accidental form is naturally inherent in, and physically identical with, the substance and must therefore go to the owner of the substance, the community. The producer has a right to a compensation for his labor; to its *product,* that is the machine, he has no claim. Thus it is that the principle of common landownership leads necessarily to the common ownership of all the means of production resulting from labor.

The same reasoning applies also to those things which, while produced by labor, are not destined for production. For whether or not an object is intended and used for production, is a circumstance which makes no difference whatever as regards the ownership of the object; whatever is made by labor out of material which is positively owned by mankind, remains the property of mankind. Hence our final conclusion is, that common landownership makes all private ownership whatsoever impossible. Advocates of common landownership, therefore, can not reject, but must endorse the further demands of Anarchism or Socialism proper, and they as

well as Anarchists and Socialists must join hands with the extreme Communists. From the standpoint of natural justice, Agrarianism is the real basis of Anarchism, Socialism, and Communism. Hence, when Leo XIII. in his great Encyclical "Rerum Novarum" proposed to himself the task of refuting all these pernicious systems, he could not have found a shorter and more direct way of accomplishing it than the one chosen by him. As from common landownership follows the common ownership of all raw materials, of all means of production, and of all products of labor, so from the necessity and lawfulness of private landownership follows the necessity and lawfulness of private ownership in the means of production as well as in the products of nature and of labor: and all this in virtue of the right order instituted by the Creator as the natural law. Justly could the Pontiff, therefore, conclude the first part of his memorable Encyclical with this weighty pronouncement: *"The first and most fundamental principle, accordingly, if we wish to alleviate the miserable condition of the masses, must be the inviolability of private property."*

This is the only solid groundwork upon which real and truly beneficial reforms can

be built. Let all those, therefore, who have the welfare of society at heart, ground themselves on this unshakable foundation. And let especially the working classes, whose condition demands a speedy and sure remedy, turn away from all who, by their erroneous principles, sap the very basis of a peaceful and prosperous existence, whilst by their specious promises they deceive the masses, foster discontent, and increase misery. If some of their immediate proposals seem to meet real grievances, they are neither peculiar to their systems nor at all connected with their fundamental tenets and ultimate aims. Only on the basis of right thinking and justice can practical measures be devised and applied which will truly and permanently promote the welfare of society.

Leo XIII. was not satisfied with pointing out the true principles of social reform; in the second part of his Encyclical he also indicated practical ways and means for a solution of the social problem. From the elevated position of his Apostolic See he has mapped out a magnificent programme for Church and State, for employers and employees, instructing them how to accomplish the desired result by harmonious co-operation. Let all Christians study and weigh his

Encyclical letter "On the Condition of Labor" and heed the voice of one whose memory is deservedly honored by a monument bearing the inscription:

"LEO XIII., THE WORKINGMEN'S FRIEND.

The End.

Date Due

4 My '36
30 Oc 36
6 No 36
Apr 14 37
Ap 30 '40
Fe 18 '47
Fe 27 '47
Mr 6 '47
R 13 '47
My 19 '47
8/25/47
De 13 '54
4-1861

3 5282 00359 9811

18883

333
P943

STACKS HD1315.P8 c. 18883
Preuss, Arthur,
The fundamental fallacy of socialism
3 5282 00359 9811